



PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

London, Tuesday, November 17, 1998

No. 35,990

The World's Daily Newspaper

U.S. and Britain Warn Iraq to Stick to Pledge

Any Defiance Will Draw Attack, Allies Say; Military Tensions in Gulf Recede Sharply

By Brian Knowlton
International Herald Tribune

WASHINGTON — Even as tensions in the Gulf began to ease, the United States and Britain issued new threats Monday that they would strike Iraqi targets without warning if Baghdad failed to cooperate with UN arms inspections.

But the crisis, sparked in August when Iraq halted the work of the UN inspectors, appeared to be winding down on several fronts: The Pentagon

announced the callback of most of the U.S. reinforcements headed for the Gulf, and the White House said that President Bill Clinton would leave Wednesday for Japan, picking up the second half of an Asia trip he had put off to deal with the crisis.

With the threat of military action receding, about 150 UN humanitarian staff workers were returning to Iraq on Monday. The weapons inspectors at the center of the crisis are to return Tuesday and Wednesday from Bahrain, where more than 100 of them had been evacuated.

Under the agreement accepted by Mr. Clinton, Iraq has committed itself to allowing inspectors "unfettered ac-

cess" to view any site they wish, and must turn over all relevant documents on chemical and biological weapons production. The inspectors arriving Tuesday are expected to move fairly quickly to take advantage of the new Iraqi agreement. They hope to find what they believe are concealed chemical and biological weapons.

The United States and Britain both sought to make it clear Monday that they would not brook any new defiance by President Saddam Hussein.

"No more hiding and seeking, no more playing games," Defense Secretary William Cohen said. "I think everyone understands that this is the last go-round as far as Saddam is concerned."

On Monday, Mr. Clinton announced that the United States had accepted Iraqi assurances of full cooperation with UN arms inspectors. In a tense weekend of last-minute negotiations, the president canceled two planned air strikes against Iraqi targets.

President Clinton's closest ally in the confrontation with Baghdad, Prime Minister Tony Blair of Britain, offered his own ultimatum Monday.

If Mr. Saddam again defies the world community, there will be "no warnings, no negotiations, no wrangling, no last-minute exchanges of letters," he told Parliament. "The next withdrawal of cooperation and he will be hit."

Had an air strike been launched over



Ruth Fremson/The Associated Press

UN relief workers hugging Monday as their group of 150 prepared to return from Jordan to Iraq.

The weekend, British planes were scheduled to fly 20 percent of the sorties by manned aircraft as opposed to cruise missiles. The New York

Times reported.

U.S. officials have failed to explain exactly what was meant by "no warnings." It seemed unlikely that strikes would be launched, in many cases against the suspected weapons sites being inspected, unless UN inspectors and staff workers were first given a

See IRAQ, Page 8

France Advises Saddam to Cooperate

Foreign Minister Praises Washington's Handling of the Crisis

By Joseph Eichett
International Herald Tribune

PARIS — Foreign Minister Hubert Védrine of France said Monday that Iraq will need "weeks and perhaps months" of complete cooperation with United Nations arms inspectors before the Security Council can consider the country's future, including the duration of sanctions and the shape of long-term security monitoring.

Praising President Bill Clinton's handling of the crisis and decision to cancel air strikes when Baghdad accepted UN demands, Mr. Védrine said that President Saddam Hussein of Iraq had "not gained a thing" in his latest showdown with the Security Council.

Mr. Védrine, speaking in an interview, said that policymakers in Washington and Paris had been pursuing

intensive, unpublicized consultations about a long-term solution to the Iraqi problem and that these political questions had to be answered eventually. "We all want to find a way out of this long-lasting crisis that will guarantee security instead of accumulating pressures."

Similarly, asked about French-U.S. differences on the question of Security Council authority for military action against Iraq, Mr. Védrine explained the thinking in Paris in a way that, in practice, was unlikely to impair the chances of a swift, powerful riposte against any future Iraqi violations.

France, he said, disagreed with the statement Sunday by Samuel Berger, Mr. Clinton's national security ad-

viser.

He brushed aside suggestions that his own statements to the French press already discussing the long-term

outlook so soon after the crisis might undermine U.S. authority in dealing with Iraq. Mr. Védrine indicated that the rhetoric in Washington, echoed in London by Prime Minister Tony Blair, might matter less in U.S. policy than in the Clinton administration's handling of domestic pressures.

Similarly, asked about French-U.S. differences on the question of Security Council authority for military action against Iraq, Mr. Védrine explained the thinking in Paris in a way that, in practice, was unlikely to impair the chances of a swift, powerful riposte against any future Iraqi violations.

France, he said, disagreed with the statement Sunday by Samuel Berger, Mr. Clinton's national security ad-

viser.

As the initial reports of Iraq's cap-

italization arrived via television news bulletins, Mr. Clinton and his team spent about a half-hour deliberating over telephone lines before the president finally decided sometime after 8 A.M. to halt the attack, which had been scheduled to start at 9 A.M. Washington time, officials said.

Mr. Clinton had been warned by the

See ABORT, Page 8

U.S. officials said the argument to proceed with air strikes was bolstered

Clinton Overruled Most Advice on Raids

Choice Was Seizing the Moment vs. Trusting Early Reports About Iraq

By Bradley Graham
Washington Post Service

WASHINGTON — President Bill Clinton's decision to abort planned air strikes against Iraq came over the recommendations of some of his top national security advisers, who pressed to go ahead with the attack despite initial doubts of an Iraqi offer to surrender to U.S. and United Nations demands, according to administration officials.

During a hurried debate Saturday morning, with less than an hour remaining before the first wave of an assault, the Pentagon had estimated it could result in 10,000 Iraqi dead. Mr. Clinton was told that uniquely favorable conditions favored U.S. military

action. As time ran out, the president's decision hinged on whether to seize the moment, and perhaps be blamed for wilfully ignoring a peace offering or trust sketchy reports that Iraq was on the verge of giving in, officials said.

Administration sources said that Defense Secretary William Cohen, Secretary of State Madeleine Albright and General Henry Shelton, chairman of the Joint Chiefs of Staff, favored an attack. The national security adviser, Samuel Berger, recommended suspending the strike, sources said. Vice President Al Gore also participated in the deliberations, but sources would not confirm what role he took.

U.S. officials said the argument to proceed with air strikes was bolstered

by signs that President Saddam Hussein would be taken by surprise, that international support for a firm response to Iraq seemed unusually strong and united, and that American forces, while still arriving in the Gulf, were primed for attack.

As the initial reports of Iraq's cap-

italization arrived via television news bulletins, Mr. Clinton and his team spent about a half-hour deliberating over telephone lines before the president finally decided sometime after 8 A.M. to halt the attack, which had been scheduled to start at 9 A.M. Washington time, officials said.

Mr. Clinton had been warned by the

See ABORT, Page 8

See GORE, Page 4

As Soviet Subs Rust Away, Ecological Disaster Looms

By David Hoffman
Washington Post Service

MURMANSK, Russia — Every few months, a green four-car train crawls along Kola Bay, past the lumbering cranes of the commercial port, and stops at a dock north of here in a district known as Rosia.

Newstand Prices

Bahrain	1,000 BD	Malta	55 c
Cyprus	C 2	Nigeria	1250 Naira
Denmark	17 DKr	Oman	1250 OR
Finland	12.00 FM	Qatar	10.00 QF
Gibraltar	£ 0.85 Rep. Ireland	JR 21.10	
Great Britain	£ 1.00 Saudi Arabia	10 SR	
Egypt	£ 25.50 S. Africa	R12 inc VAT	
Jordan	1,250 JD	U.A.E.	10.00 DH
Kenya	K SH 180	U.S. M. (Bar)	\$ 1.20
Kuwait	700 Fils	Zimbabwe	Zm 340.00

The special train is at the center of a logistical and financial bottleneck that is making this region one of the most dangerous nuclear dumping grounds in the world. The Arctic seascape here has become a graveyard for the once-feared fleet of Soviet nuclear-powered submarines. Highly radioactive spent fuel from their nuclear reactors has been piling up in storage tanks and open-air bins, on military bases and in shipyards. In some cases, fuel assemblies have broken and tanks have leaked.

The train is the only way to move the spent fuel more than 3,200 kilometers (2,000 miles) to Russia's sole reprocessing plant, the Mayak Chemical Combine in the Ural Mountains, where uranium and plutonium are separated out for possible reuse. When fully loaded, the train can carry 588 fuel assemblies — slightly more than the contents of one submarine.

But there are more than 50,000 such fuel assemblies awaiting transport. Thus,

AGENDA



WAR OF WORDS — Prime Minister Benjamin Netanyahu speaking Monday in the Knesset as rhetoric on the Wye peace pact heated up. Approval of the accord is expected, however. Page 8

Tobacco Accord Goes to States

WASHINGTON (AP) — Cigarette makers formally agreed Monday to a \$206 billion settlement of state lawsuits that would prohibit tobacco companies from advertising on billboards, city buses and T-shirts.

Eight state attorneys general have sent the proposal to all other states in hopes they, too, will join in.

President Bill Clinton considers the state settlement "a step in the right direction" but still wants Congress to do more to curb teenage smoking, the White House said.

Meteor Shower

The Earth will enter the backwash of a comet called Temple-Tuttle in what may be the most intense meteor shower in more than three decades. Peak time for viewing the storm will be 1800 GMT Tuesday. Page 3

The Dollar

New York Monday € 4 PM previous close

DM 1.6683 1.685

Yen 120.31 122.805

FF 5.5935 5.6496

Pound 1.6768 1.684

Dollar per pound

The Dow Monday close percent change

+ 91.56 9,011.25 + 1.03%

S & P 500 + 10.14 1,135.88 + 0.90%

Nasdaq + 13.72 1,861.71 + 0.74%

Blue-chip stocks topped the 9,000-point mark for the first time since July amid expectations that the Federal Reserve Board will cut U.S. interest rates Tuesday. Page 16.

Books Page 11

Crossword Page 12

Opinion Page 10-11

Sports Page 24-25

The IHT on-line www.iht.com

ton and Prime Minister Keizo Obuchi of Japan said that the program would be called the Asian Growth and Recovery Initiative.

Officials indicated that the program had initial funding from both countries of at least \$8 billion, but were vague

about how key parts of the plan, including ways of recapitalizing and reforming troubled Asian banks and companies, would work.

Analysts said that the program appeared to have been hastily cobbled together to offset criticism among APEC countries that Washington and Tokyo have been so preoccupied with a recent trade feud that they have ignored the region's most pressing problem: coping with a deepening recession that is throwing millions of people out of work in East Asia, threatening social and political order.

Mr. Clinton and Mr. Obuchi said in their statement that several of the countries hardest hit by the financial crisis "have made great strides in recent months toward restoring stability."

They added, "The major challenge they face today is restoring growth as quickly as possible."

They said that the proposed program had four main components: accelerating the pace of bank and corporate restructuring; increasing trade finance; mobilizing new private sector capital to help Asian companies rebuild their balance sheets; and enhancing technical assistance to help equip countries with the expertise they need to overcome complex financial and corporate restructuring issues.

Earlier, Mr. Gore, who is representing Mr. Clinton at the meeting after the president canceled his attendance because of the Iraq crisis, gave an outline of the U.S.-Japanese plan at an APEC business dinner meeting.

He said it would "help nations obtain financing to revive their banking systems and remove obstacles to serious restructuring issues."

See APEC, Page 4

AT&T
9 770294 805124

Cruise Crime / Shrouds of Silence

Sexual Assaults Sully Playgrounds on the Sea

By Douglas Frantz
New York Times Service

NEW YORK — A Texas woman on a Caribbean cruise with her husband accused a waiter of drugging their dinner drinks and later raping her in their cabin. An Oregon family on a cruise said their daughter was raped by a ship's bartender after she celebrated her 16th birthday in a bar. A California woman said that a crewman forced his way into her cabin and beat and raped her.

As with many rape cases, none of these was clear-cut. Some involved alcohol and counterclaims of consensual sex. One was not reported until after the cruise. Accusers complain that the cruise lines first seek to protect their reputation; cruise companies play down the situation's gravity or decline to discuss legal matters.

Once the exclusive playground of the very wealthy, the cruise business has expanded over the last decade by appealing to the vast middle class, especially families and young adults. The polished mahogany decks and formal dinners of a bygone era have been replaced by glittering floating cities dedicated to carefree partying, gambling and drinking.

But as the industry has boomed to more than 5 million passengers a year, it has presented new concerns for its ports of call, its passengers and the environment, in part because of the size of its giant liners, in part because the cruise lines operate largely outside the laws of any one country. A particular problem is the allegations of sexual assaults committed by crew members.

There is no evidence that crime is rampant aboard cruise ships. And the FBI does not break out statistics on the number of rapes on the high seas. But FBI agents in Miami, the United States' busiest cruise port, said they are called out to investigate a shipboard sexual assault about every other week.

An examination of sexual assault cases on ships operated by the largest cruise lines, based on court records and interviews with current and former employees, law-enforcement officials, passengers who reported assaults, and those passengers' lawyers, found a pattern of cover-ups that often began as soon as the crime was reported at sea, in international waters where the only police are the ship's security officers.

Accused crew members are sometimes put ashore at the next port, with air fare to their home country. Industry lawyers are flown to the ship to question the accusers, and aboard ships flowing with liquor, counterclaims of consensual sex are common. The cruise lines aggressively contest lawsuits and insist on secrecy as a condition of settling.

When the Texas couple sued, the cruise line settled with a confidential agreement. Cruise-line lawyers subpoenaed the Oregon girl's school records to question her character, but eventually settled a lawsuit. Officers aboard the California woman's ship did notify the FBI at her insistence, but she said the arrival of the agents was delayed until her room had been cleaned.

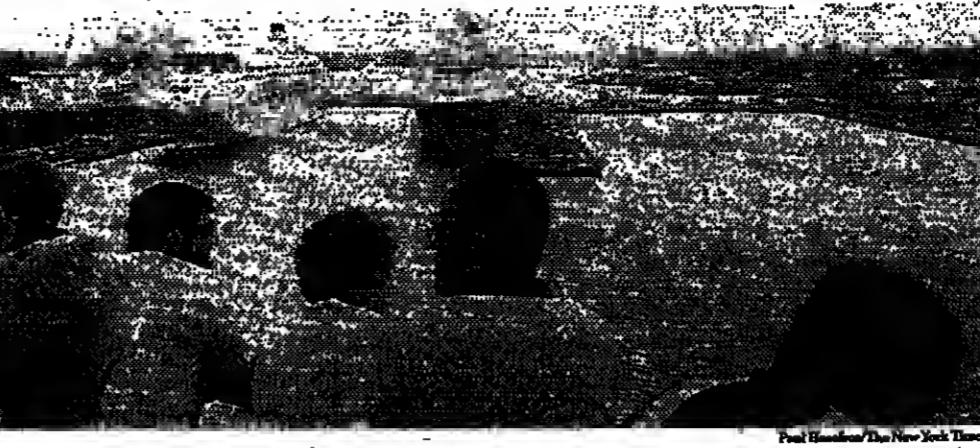
In another case, a federal grand jury is investigating whether Carnival

Cruise Lines, the world's largest, helped a ship's officer accused of rape get out of the country. And in 1995, a Florida appeals court found that Carnival dismissed a crew member for refusing to lie to protect the company in a civil suit brought by another seaman.

"You don't notify the FBI," said Charles Harris, a former chief of security for Carnival. "You don't notify anybody. You start giving the victims bribes, upgrading their cabins, giving them Champagne and trying to ease them off the ship until the legal department can take over."

"Even when I knew there was a crime," he said, "I was supposed to go in there and do everything in the world to get Carnival to look innocent."

The cruise lines say that crimes are uncom-



Crew members are often accused in shipboard sexual assaults, which FBI agents in Miami say they investigate about every other week.

mon and that they do a good job of investigating when one does occur. But three years ago their lobbyists tried in Congress to win protection from most damages in sexual-assault suits and from all suits by foreign crew members.

In many ways these ships, some as long as three football fields, are not so much floating cities as sovereign islands, operating beyond the police and regulatory jurisdiction of the nations they cruise among.

Every major cruise ship sailing out of U.S. ports is registered with a foreign country, usually Panama or Liberia. The corporations that own them are foreign, too. The foreign registry means the ships and their owners avoid U.S. corporate income taxes and many U.S. laws, although more than 80 percent of their passengers are American.

Carnival Corp., the parent of Carnival Cruise Lines, has its headquarters in Miami but is a publicly held corporation registered in Panama. Controlling interest is held by the family of its

founder, Ted Arison, a billionaire who renounced his U.S. citizenship in 1993, in part to avoid estate taxes. His son, Mickey, an American citizen, is chairman. Most of Carnival's executives are American.

The other leading cruise line, Royal Caribbean Cruises Ltd., also has its headquarters in Miami, but the corporation is registered in Liberia.

Controlling interests are owned by a Bahamian partnership associated with the wealthy Pritzker family of Chicago and by a shipping company owned by a Norwegian family, the Wilhelmsens.

Lynn Martenstein, vice president for communications at Royal Caribbean, said the company would not comment on cruise-ship crime or respond to any specific questions because of legal considerations.

A vice president of Carnival, Tim Gallagher, said his company reacts promptly and thoroughly any time there is an allegation of sexual misconduct involving passengers or crew members. He said only a handful of assaults occur each year, though he would not provide numbers.

"We have more than 1.5 million guests a year, and it is impossible that there would not be a huge public outcry if there were any kind of serious crime problem," Mr. Gallagher said.

THIS FBI has jurisdiction to investigate crimes in international waters on foreign ships if the vessel departed from or is headed to a U.S. port and the crime involves an American citizen. But investigating a crime scene at sea is difficult. Agents routinely wait until a ship returns to port, and jurisdictional questions often arise, according to law-enforcement authorities.

And not all crimes are reported. Cruise ships are required to report only crimes and other incidents that result in serious physical injury, which does not necessarily include rape. "Unless otherwise required to do so, Carnival leaves it to the individual to decide whether to report to authorities," said Curtis Mase, a lawyer for Carnival.

Complaints are frequent enough, however, that Lloyd Lipkey, the agent in charge of the FBI's Miami squad that deals with crimes on the high seas, offered a warning to passengers: "Go on a cruise just like you go anywhere else, with your eyes open."

**Thursday**

Trib Tech

Trib Tech explores and explains the breakthroughs that drive technological achievement in the Information Age, as they transform business strategies around the world and bring excitement and entertainment to daily life at home. Revolutionary ideas, fresh applications, hot new products, time-saving software, cutting-edge gadgets -- you'll find out about it in Trib Tech.

Every Thursday in the International Herald Tribune.



Lost your MasterCard® card? Can't find a cash machine? Help is just one call away.

For 24-hour cardholder assistance, call MasterCard Global Service™ Anytime. Anywhere. Any language.

Call toll-free*: United Kingdom: 0800-96-4767 Germany: 0130-81-9104

France: 0-800-90-1387 Italy: 1678-70866 Spain: 900-97-1231



*In other countries, call directory assistance or ask your hotel concierge.

**A two-month trial subscription.
Save up to 60%**

Try a special, low-cost 2-month trial subscription to the International Herald Tribune to enjoy delivery to your home or office every morning AND save up to 60% off the newsstand price.

COUNTRY/CURRENCY	2 MONTHS NEWSSTAND PRICE	2 MONTHS OFFER PRICE	SAVING PRICE	COVER PRICE
AUSTRIA	1.45	0.60	55	55
BELGIUM	1.45	0.60	55	55
DENMARK	0.84	0.40	49	49
FINLAND	0.52	0.20	50	50
FRANCE	1.17	0.50	57	57
GERMANY	1.62	0.72	53	53
GREAT BRITAIN	1.52	0.60	52	52
HONG KONG	0.52	0.20	33	33
ISRAEL	0.84	0.35	50	50
ITALY	1.50	0.60	50	50
JAPAN	2.05	0.80	55	55
MALAYSIA	0.84	0.35	53	53
NETHERLANDS	0.76	0.30	53	53
KOREA	0.52	0.20	50	50
SINGAPORE	0.52	0.20	50	50
SPAIN	1.02	0.40	57	57
SWITZERLAND	1.00	0.40	50	50
USA	5	2.75	43	43

FOR OTHER COUNTRIES, PLEASE CONTACT YOUR NEAREST IHT OFFICE

You, I would like to start receiving the International Herald Tribune.
□ My check is enclosed (payable to the IHT)

Charge my: □ Amex □ Diners □ VISA □ Access □ MasterCard □ Eurocard
For US and Asian prices, credit cards will be charged in French francs of current rates.

Card No. _____ Exp. Date. _____

Signature: _____

For business orders, indicate your VAT No.: _____

IHT VAT Number FR/AT/20201126

Mr./Ms./Ms. Family Name: _____

First Name: _____ Job Title: _____

Mailing Address: _____

City/Code: _____

Country: _____ Home Tel No. _____ Business Tel No. _____

E-mail Address: _____

I give this copy of the IHT to: □ book □ hotel □ airline □ other _____

□ do not wish to receive information from other companies

Mail or fax to: International Herald Tribune

181 Ave. Charles de Gaulle, 92321 Neuilly Cedex, France
Fax +33 1 43 92 10 10, Tel. +33 1 43 92 53 61

850 Third Avenue, New York, NY 10022-4275 USA
Tel. 212 733 0785, Tel. 1-800-862-2884

1201 K. West California, San Jose, CA 95131, USA
Fax 408 222-1111, Tel. 408 222-1177

E-mail: ihtroute@ihtroute.com <http://www.ihtroute.com>

Offer valid for new subscribers only.

China Asserts Shanghai Man Used Internet For Subversion

By Erik Eckholm
New York Times Service

BEIJING — The trial of a 30-year-old computer executive, soon to begin in Shanghai, heralds a new electronic battleground for China's political dissidents and security forces determined to preserve Communist Party control.

The defendant, Lin Hai, is charged with "inciting subversion of state power." Prosecutors say that, from September 1997 until his arrest in March, Mr. Lin gave tens of thousands of Chinese e-mail addresses to "hostile foreign publications."

In particular, they say, he provided addresses to an electronic newsletter called VIP Reference, which is compiled by Chinese democracy advocates in Washington and sent to hundreds of thousands of computer-users inside China. According to the indictment, Mr. Lin helped the newsletter "carry out propaganda and incitement by distributing essays inciting subversion of state power and overthrow of the socialist system."

Mr. Lin appears to be the first legal casualty of a growing struggle, as Internet users here and abroad make strides of the government's efforts to censor political debate and filter foreign news. VIP Reference is the most prominent of several electronic forums that are breaching China's information defenses.

"We're promoting freedom of speech on the Internet," said Feng Donghai, a software engineer at Columbia University in New York. He moved to the United States three years ago and helped start VIP Reference last fall. "They are putting Lin Hai on trial to set an example."

The main VIP Reference, sent out every 10 days, mostly includes essays and debates on democratic topics. A subsidiary Daily News edition, sent daily, includes detailed accounts of dissent initiatives and arrests.

The main newsletter is now sent to more than 250,000 addresses in China, said its publisher, Lian Shengde, who spoke from Washington.

The Daily News edition goes to about 25,000, and the numbers are steadily climbing as sympathizers send in lists of Chinese addresses.

The newsletter accepts addresses indiscriminately — many are from commercially traded lists — then mails to everyone. "The theory is that when so many are automatic recipients, individuals can't be accused of deliberately subscribing."

"We're posing a new problem for the Communists," said Mr. Lin, a software engineer in his 30s who moved from China after the 1989 military crackdown on student-led demonstrators in Beijing's Tiananmen Square. "I don't think there's any way they can stop us."

Another similar publication is Tunnel, a self-described "webzine" of commentary written in China and sent electronically to the United States from where it is wired back to thousands of accounts inside China.

The sites, which require Chinese script software, are at www.ifsc.org/gip/public/dct and www.geocities.com/SiliconValleyBoy5598 for Tunnel.

China now has some 1.2 million Internet accounts, many shared by several users, with the numbers zooming.

Divers Will Hunt for Body Of Trudeau's Youngest Son

The Associated Press

NELSON, British Columbia — Divers were waiting Monday for a break in the weather to assist in the search for the body of youngest son of former Prime Minister Pierre Trudeau.

Michel Trudeau, 23, was on a ski expedition Friday when an avalanche swept him into an icy lake in Kokanee Glacier Provincial Park in southeastern British Columbia. The two other skiers with him survived.

Because of the inclement weather, the divers planned to move cautiously. "We'll probably just be working along the shorelines," said Dave Pointier, one of the five dive-team members. "We'll be searching where we can safely."

Mr. Trudeau's body, weighed down by a pack, a jacket and ski boots, may be further out in the lake, which is about 1,200 meters (4,000 feet) long, 450 meters wide and up to 40 meters deep. The police said his group was knowledgeable about avalanche hazards and had tested the snow before setting out.

WEATHER

Forecast for Wednesday through Friday, as provided by AccuWeather.



North America
Dry and cold in New York City and Washington, D.C. and parts Wednesday and Thursday. Then slightly milder Friday. Dry and cool Saturday. Heavy rain possible Sunday in Toronto and Chicago with some rain Sunday. Light rain in Rome Wednesday into Thursday and in Athens on Friday.

Europe
Much colder from Beijing through Saturday. Daytime temperatures will only reach the lower teens Saturday. Heavy rain may fall to the west and north. Heavy rain may fall in Hong Kong while Manila and Singapore have showery spells.

Asia
Dry and cold in Tokyo and Seoul Saturday. Rain possible Sunday in Bangkok, Kuala Lumpur and Manila. Much rain possible Sunday in Hong Kong.

Africa
Dry and warm in Cairo Saturday. Rain possible Sunday in Nairobi and Addis Ababa.

Oceania
Dry and warm in Sydney Saturday. Rain possible Sunday in Melbourne.

Australasia
Dry and warm in Sydney Saturday. Rain possible Sunday in Melbourne.

Latin America
Dry and warm in Mexico City Saturday. Rain possible Sunday in Bogota.

South America
Dry and warm in Rio de Janeiro Saturday. Rain possible Sunday in Santiago.

Africa
Dry and warm in Cape Town Saturday. Rain possible Sunday in Johannesburg

THE AMERICAS

Imminent Meteor Storm Alarms (or Bores) the Satellite-Ringed WorldBy Seth Schiesel
New York Times Service

NEW YORK — *Chicken Little would love this one.* The Earth is hurtling into the path of a comet called Temple-Tuttle.

On Tuesday, the Earth will enter Temple-Tuttle's debris-swept backwash and will then, according to many scientists, witness the most intense meteor shower in more than three decades.

The peak time for viewing the storm will be from 1800 to 2000 GMT on Tuesday, astronomers said. While visible in Asia and Europe, the storm will be obscured by the sun in North America.

ica during its peak hours.

The scientists who track Temple-Tuttle do not even call it a shower; they call it a meteor storm. And in the midst of the storm, among millions of particles moving at roughly 160,000 miles (260,000 kilometers) an hour, will be 500 or so man-made satellites, which most people in the industrialized world have come to rely on, willingly or not, for entertainment, communication and spying on one another.

This is the first time in the life of our communications-oriented world that we have faced an environmental threat of this scope," said Ian Rose, chief executive of Createch, a nonprofit group based in

Toronto that will track the storm for the Canadian and U.S. governments.

Mr. Rose said the only previous instance of a satellite's being disabled by meteors occurred in 1993 during a shower about one-third the density of the storm predicted for Tuesday. American consumers felt the impact of a single satellite's malfunctioning last May, when the failure of Galaxy IV disrupted pager service in much of the United States.

If Tuesday's storm seriously damages any satellites, the effects could be even more daunting. The spy satellites that are peering down at Saddam Hussein could lose their ability to spot movements of his troops. Television

channels could become static. Travelers relying on satellite navigation could become lost. Corporate networks could shut down. Even the international telephone system could be crippled.

The satellite industry, however, and some of the companies that rely on it, have a different reaction: no big deal.

"We don't think this will be much of an issue," said Daniel Marcus,

a spokesman for Panamsat, the world's largest private satellite company. "It

should be a non-event."

And Stephen Stott, director for satellite engineering at Intelsat, the international satellite consortium, said, "Most of the industry is of the opinion that we do not expect any major problems."

After all, the odds say that the meteors — known as the Leonids because they seem to come from the direction of the constellation Leo — have a statistically small chance of seriously damaging any of the world's satellites, estimated by experts at between 1 in 100 to 1 in 5,000.

"In theory, you can walk across a freeway in the middle of the night and get away with it," Mr. Rose said, by way of analogy. "But you might get K.O.'d by a truck."

In addition to a physical threat, though, the Leonids, generally smaller than grains of sand, also pose the risk of creating strong electrical charges on satellites, potentially damaging sensitive components. So while the big satellite companies play down the threat,

they are still taking steps to protect their property. The companies plan to turn solar arrays so that their edges face the oncoming meteors, presenting a smaller target. They plan to shut down some systems, to keep operations simple.

But Alastair Hamilton, who is responsible for distributing Cable News Network as Turner Broadcasting System's senior vice president for worldwide distribution technology, said some viewers still might lose their signal for a few minutes Tuesday as satellites recover from short circuits. He added, however, that he could not yet get too agitated because there is so little he can do.

"At the end of the day, the satellites are up there and there is no way to hide them," he said. "So we're going to really see what happens. And the prevailing opinion is that this is not really something that we should be losing a huge amount of sleep over."

This is not quite how Colonel Mike Kelly is handling the situation. That is because he works for the owner of about a quarter of the world's satellites: the U.S. government.

As deputy commander of the 50th Operations Group at Schriever Air Force Base, near Colorado Springs, Colonel Kelly helps run about 60 air force satellites worth about \$40 billion.

His charges provide navigation services, communications for officials including the president, and help in detecting missile launches.

While Mr. Marcus of Panamsat and

Gregory Clark, president of Loral Space Communications, another big private satellite company, said they expected no impact on their services, Colonel Kelly is more pessimistic. "I think it's very unlikely that we'll lose a spacecraft on the 17th," he said, adding that he thought it was "probable that we'll see some electrical problems that we'll have to recover." That could take anywhere from a few minutes to several days, he said.

In contrast to the private satellite companies, however, the air force, according to Colonel Kelly, has decided not to change its normal operating procedures substantially, except to be especially watchful.

"We don't know ahead of time how serious it will be," Colonel Kelly said. "If it turns out to be a nothingburger, I'll be one of the happiest people in Colorado."

And Ken Kirchart will be one of the happiest people in Virginia. Mr. Kirchart is vice president for production at USA Today, which uses 33 satellite-linked printing plants in the United States. Each plant is linked to two satellites, Mr. Kirchart said, but he is still nervous.

"It's a crapshoot, you just don't know," he said. "There's nothing more you can do. There's not time. The only thing you could do is put yourself in a risk-free situation is to put it in a terrestrial system, and to do that to 33 sites, well, you've dealt with the phone companies."

Away From Politics

• Prominent opponents of capital punishment meeting in Chicago have started a nationwide effort to recruit law schools to train students to work on cases that might lead to freedom for wrongly convicted persons. The campaign seeks to take advantage of new DNA technologies that can identify people who have been wrongfully convicted. (LAT)

• A woman apparently trying to kill herself jumped off a six-story building in Los Angeles and landed on a security guard who tried to catch her. The woman died, and the guard suffered a broken neck. (AP)

• The scaling back of the navy, environmental concerns and contractor problems have led to a backlog of 206 surplus U.S. government ships waiting to be scrapped, according to federal officials. (WP)

• Internal Revenue Service employees allegedly embezzled \$5.3 million in taxpayer checks and cash from 1995 to 1997, according to a General Accounting Office report on IRS financial management practices. In one scheme, an IRS employee and his co-conspirators altered a taxpayer check to change the payee from "I.R.S." to "I.R. Smith" and deposited it into a personal checking account. (WP)

• Three teenage boys were arrested in an alleged plot to kill teachers and a group of students who picked on them, authorities in Burlington, Wisconsin, said. (AP)

Space Station's First Pieces Ready to FlyBy Warren E. Leary
New York Times Service

WASHINGTON — After years of debate, hundreds of studies, thousands of pages of blueprints and billions of dollars, the United States and 15 other nations are ready to start building the largest, most complex structure ever assembled in space, the international space station.

Almost 15 years after the United States first made a commitment to building a space station — a period marked by shifting goals, numerous revisions and false starts — and, most recently, serious concerns about Russia's involvement — the United States and its partners are embarking on an ambitious, year construction project 220 miles (355 kilometers) above Earth.

Despite severe money problems at its space agency, Russia is to place the first piece of a giant puzzle on the board this week by launching a 20-ton pressurized module that will serve as the core of the orbital outpost by providing initial propulsion and power. This unit, named Zarya after the Russian word for sunrise, is to lift off Friday atop a Proton rocket launched from the Baikonur Cosmodrome in Kazakhstan.

The United States is to follow on Dec. 5 when the space shuttle Endeavour takes off with a large hub unit, named Unity. This node attaches to the Russian

part and serves as a main connector for future pieces of the station, designed to eventually house up to seven astronauts at a time, from countries around the world. Three astronauts are expected to occupy the station beginning early in 2000, well before it is fully completed.

The space station is one of the largest peacetime international engineering projects in history, and one of the costliest too, with a construction price of at least \$40 billion, more than half of which will be paid by the United States. Various estimates suggest that participating nations together will spend a similar amount to operate it during its lifetime, a minimum of 10 years.

It will be a risky and difficult project as well, experts said, noting that the odds of a major accident during the station's construction or operation are high. Construction will require at least 43 space flights, including 34 by space shuttles and the rest by Russian rockets, to haul almost 300,000 pounds (410 metric tons) of building materials and supplies.

These materials, including pressurized modules, connecting nodes, expandable metal trusses for holding solar panels and heat radiators, and miles of electrical cables, are to be assembled by American and Russian astronauts making 144 space walks. The space walks, in which two-man teams will have to connect hundreds of station components and cables, are expected to total at

least 1,800 hours (or some 75 days), double the time that American astronauts have spent outside their ships since the beginning of piloted space flight almost four decades ago.

When all of the pieces come together in 2004, as scheduled, they are to form a complex that covers an area equal to two football fields when the massive solar power arrays are unfurled. Almost a dozen interlocking modules, housing research laboratories, living quarters and support equipment, are planned to provide 46,000 cubic feet (1,300 cubic meters) of pressurized space.

The space station is being built to see how people can live and work safely and productively in space for long periods," said Daniel Goldin, administrator of the National Aeronautics and Space Administration. "It will be a world-class laboratory for science that could lead to discoveries and technical advances that affect all our lives."

Construction is to begin, however, even though several uncertainties remain about costs and schedules. Assembly already has been delayed more than a year because the third major component, a Russian-built unit called the service module, has not been completed because the Russian Space Agency is out of money. This critical unit is to provide living quarters and laboratory space in the early stages of station construction.

The space station is being built to see how people can live and work safely and productively in space for long periods," said Daniel Goldin, administrator of the National Aeronautics and Space Administration. "It will be a world-class laboratory for science that could lead to discoveries and technical advances that affect all our lives."

Construction is to begin, however, even though several uncertainties remain about costs and schedules. Assembly already has been delayed more than a year because the third major component, a Russian-built unit called the service module, has not been completed because the Russian Space Agency is out of money. This critical unit is to provide living quarters and laboratory space in the early stages of station construction.

The space station is being built to see how people can live and work safely and productively in space for long periods," said Daniel Goldin, administrator of the National Aeronautics and Space Administration. "It will be a world-class laboratory for science that could lead to discoveries and technical advances that affect all our lives."

Construction is to begin, however, even though several uncertainties remain about costs and schedules. Assembly already has been delayed more than a year because the third major component, a Russian-built unit called the service module, has not been completed because the Russian Space Agency is out of money. This critical unit is to provide living quarters and laboratory space in the early stages of station construction.

The space station is being built to see how people can live and work safely and productively in space for long periods," said Daniel Goldin, administrator of the National Aeronautics and Space Administration. "It will be a world-class laboratory for science that could lead to discoveries and technical advances that affect all our lives."

Construction is to begin, however, even though several uncertainties remain about costs and schedules. Assembly already has been delayed more than a year because the third major component, a Russian-built unit called the service module, has not been completed because the Russian Space Agency is out of money. This critical unit is to provide living quarters and laboratory space in the early stages of station construction.

The space station is being built to see how people can live and work safely and productively in space for long periods," said Daniel Goldin, administrator of the National Aeronautics and Space Administration. "It will be a world-class laboratory for science that could lead to discoveries and technical advances that affect all our lives."

Construction is to begin, however, even though several uncertainties remain about costs and schedules. Assembly already has been delayed more than a year because the third major component, a Russian-built unit called the service module, has not been completed because the Russian Space Agency is out of money. This critical unit is to provide living quarters and laboratory space in the early stages of station construction.

The space station is being built to see how people can live and work safely and productively in space for long periods," said Daniel Goldin, administrator of the National Aeronautics and Space Administration. "It will be a world-class laboratory for science that could lead to discoveries and technical advances that affect all our lives."

Construction is to begin, however, even though several uncertainties remain about costs and schedules. Assembly already has been delayed more than a year because the third major component, a Russian-built unit called the service module, has not been completed because the Russian Space Agency is out of money. This critical unit is to provide living quarters and laboratory space in the early stages of station construction.

The space station is being built to see how people can live and work safely and productively in space for long periods," said Daniel Goldin, administrator of the National Aeronautics and Space Administration. "It will be a world-class laboratory for science that could lead to discoveries and technical advances that affect all our lives."

Construction is to begin, however, even though several uncertainties remain about costs and schedules. Assembly already has been delayed more than a year because the third major component, a Russian-built unit called the service module, has not been completed because the Russian Space Agency is out of money. This critical unit is to provide living quarters and laboratory space in the early stages of station construction.

The space station is being built to see how people can live and work safely and productively in space for long periods," said Daniel Goldin, administrator of the National Aeronautics and Space Administration. "It will be a world-class laboratory for science that could lead to discoveries and technical advances that affect all our lives."

Construction is to begin, however, even though several uncertainties remain about costs and schedules. Assembly already has been delayed more than a year because the third major component, a Russian-built unit called the service module, has not been completed because the Russian Space Agency is out of money. This critical unit is to provide living quarters and laboratory space in the early stages of station construction.

The space station is being built to see how people can live and work safely and productively in space for long periods," said Daniel Goldin, administrator of the National Aeronautics and Space Administration. "It will be a world-class laboratory for science that could lead to discoveries and technical advances that affect all our lives."

Construction is to begin, however, even though several uncertainties remain about costs and schedules. Assembly already has been delayed more than a year because the third major component, a Russian-built unit called the service module, has not been completed because the Russian Space Agency is out of money. This critical unit is to provide living quarters and laboratory space in the early stages of station construction.

The space station is being built to see how people can live and work safely and productively in space for long periods," said Daniel Goldin, administrator of the National Aeronautics and Space Administration. "It will be a world-class laboratory for science that could lead to discoveries and technical advances that affect all our lives."

Construction is to begin, however, even though several uncertainties remain about costs and schedules. Assembly already has been delayed more than a year because the third major component, a Russian-built unit called the service module, has not been completed because the Russian Space Agency is out of money. This critical unit is to provide living quarters and laboratory space in the early stages of station construction.

The space station is being built to see how people can live and work safely and productively in space for long periods," said Daniel Goldin, administrator of the National Aeronautics and Space Administration. "It will be a world-class laboratory for science that could lead to discoveries and technical advances that affect all our lives."

Construction is to begin, however, even though several uncertainties remain about costs and schedules. Assembly already has been delayed more than a year because the third major component, a Russian-built unit called the service module, has not been completed because the Russian Space Agency is out of money. This critical unit is to provide living quarters and laboratory space in the early stages of station construction.

The space station is being built to see how people can live and work safely and productively in space for long periods," said Daniel Goldin, administrator of the National Aeronautics and Space Administration. "It will be a world-class laboratory for science that could lead to discoveries and technical advances that affect all our lives."

Construction is to begin, however, even though several uncertainties remain about costs and schedules. Assembly already has been delayed more than a year because the third major component, a Russian-built unit called the service module, has not been completed because the Russian Space Agency is out of money. This critical unit is to provide living quarters and laboratory space in the early stages of station construction.

The space station is being built to see how people can live and work safely and productively in space for long periods," said Daniel Goldin, administrator of the National Aeronautics and Space Administration. "It will be a world-class laboratory for science that could lead to discoveries and technical advances that affect all our lives."

Construction is to begin, however, even though several uncertainties remain about costs and schedules. Assembly already has been delayed more than a year because the third major component, a Russian-built unit called the service module, has not been completed because the Russian Space Agency is out of money. This critical unit is to provide living quarters and laboratory space in the early stages of station construction.

The space station is being built to see how people can live and work safely and productively in space for long periods," said Daniel Goldin, administrator of the National Aeronautics and Space Administration. "It will be a world-class laboratory for science that could lead to discoveries and technical advances that affect all our lives."

Construction is to begin, however, even though several uncertainties remain about costs and schedules. Assembly already has been delayed more than a year because the third major component, a Russian-built unit called the service module, has not been completed because the Russian Space Agency is out of money. This critical unit is to provide living quarters and laboratory space in the early stages of station construction.

The space station is being built to see how people can live and work safely and productively in space for long periods," said Daniel Goldin, administrator of the National Aeronautics and Space Administration. "It will be a world-class laboratory for science that could lead to discoveries and technical advances that affect all our lives."

Construction is to begin, however, even though several uncertainties remain about costs and schedules. Assembly already has been delayed more than a year because the third major component, a Russian-built unit called the service module, has not been completed because the Russian Space Agency is out of money. This critical unit is to provide living quarters and laboratory space in the early stages of station construction.

The space station is being built to see how people can live and work safely and productively in space for long periods," said Daniel Goldin, administrator of the National Aeronautics and Space Administration. "It will be a world-class laboratory for science that could lead to discoveries and technical advances that affect all our lives."

Construction is to begin, however, even though several uncertainties remain about costs and schedules. Assembly already has been delayed more than a year because the third major component, a Russian-built unit called the service module, has not been completed because the Russian Space Agency is out of money. This critical unit is to provide living quarters and laboratory space in the early stages of station construction.

The space station is being built to see how people can live and work safely and productively in space for long periods," said Daniel Goldin, administrator of the National Aeronautics and Space Administration. "It will be a world-class laboratory for science that could lead to discoveries and technical advances that affect all our lives."

Construction is to begin, however, even though several uncertainties remain about costs and schedules. Assembly already has been delayed more than a year because the third major component, a Russian-built unit called the service module, has not been completed because the Russian Space Agency is out of money. This critical unit is to provide living quarters and laboratory space in the early stages of station construction.

The space station is being built to see how people can live and work safely and productively in space for long periods," said Daniel Goldin, administrator of the National Aeronautics and Space Administration. "It will be a world-class laboratory for science that could lead to discoveries and technical advances that affect all our lives."

Construction is to begin, however, even though several uncertainties remain about costs and schedules. Assembly already has been delayed more than a year because the third major component, a Russian-built unit called the service module, has not been completed because the Russian Space Agency is out of money. This critical unit is to provide living quarters and laboratory space in the early stages of station construction.

The space station is being built to see how people can live and work safely and productively in space for long periods," said Daniel Goldin, administrator of the National Aeronautics and Space Administration. "It will be a world-class laboratory for science that could lead to discoveries and technical advances that affect all our lives."</p

INTERNATIONAL

Yucatan Developers Ride the Sea TurtleBy Sam Dillon
New York Times Service

XCACEL, Mexico — This pristine Caribbean beach is one of the world's most important nesting areas for sea turtles, and Mexican environmentalists view its ivory sands and emerald waters as sacred terrain.

For years the environmentalists have been pleading with the authorities to protect the beach, 100 kilometers (60 miles) south of Cancun, from the bulldozers and chain saws that are devouring stretches of palm-covered dunes and mangrove marshes as the government sells off the coast of the state of Quintana Roo to commercial developers.

But in February, after months of secret negotiations, the state government announced that Xcacel had been sold for \$2.2 million to a Spanish conglomerate that plans to build a 450-room hotel. The sale has set off one of Mexico's most bitter environmental battles.

Greenpeace, the Sierra Club and other international and Mexican conservation groups are campaigning to reverse the deal.

Government officials and the developers are shrugging off the

protests. "Everywhere there are extremists who say development can't move in concert with nature, but we disagree," said Jorge Polanco Zapata, who represents Quintana Roo as a senator from Mexico's governing party and supports the Xcacel project. "We think the turtles will be a tourist attraction."

The sale has become a symbol of what ecologists describe as predatory development desecrating a wonderland of squawking parrots and pre-Columbian ruins along 130 kilometers of coast stretching from Cancun to the Mayan site of Tulum.

Environmentalists complain that land use plans and environmental impact statements have been ignored in the construction of a new corridor of luxury hotels and "eco-tourism" resorts.

Aracely Dominguez, founder of the region's most important conservation group and owner of a small Cancun hotel, said highways had been gouged through coastal rain forests, mangrove swamps paved into parking lots and delicate coastal bays dredged with hydraulic draglines.

Xcacel has become the focus for scientists because of research showing that thousands

of Atlantic green and loggerhead turtles nest there, apparently attracted to the gentle slope of its sands, so many that those species' genetic diversity is dependent on the beach. As a result, scientists and conservationists have based turtle protection and environmental education programs for the entire Yucatan Peninsula in Xcacel.

For a decade, thousands of children and their families have made pilgrimages to Xcacel each year to experience the wonder of the summer nesting season, when on any evening scores of 180-kilogram (400-pound) loggerheads glide through the surf, lumber up the sloping beach and burrow into the dune to lay eggs. Turtle rangers protect the nests from the poachers who sack beaches elsewhere in Mexico.

Xcacel was a federal reserve until 1992, when control passed to Quintana Roo. Aides to Governor Mario Villanueva secretly negotiated the sale, and federal environmental officials have ignored entreaties to intervene.

The Spanish corporation that bought Xcacel, Sol Melia, which operates hotels in 23 countries, has said it plans to

build "a 450-room Paradis Tulum All-Inclusive Beach Resort." Evagio Sanchez, a senior executive of Sol Melia's real estate division, said his company was awaiting an environmental study before elaborating final designs. But the hotel will be built away from the beach, with subdued illumination that will not confuse the nesting turtles, he said.

"We want sustainable development, with scrupulous protection, not just for the turtles but for all the fauna and flora," Mr. Sanchez said.

But environmentalists were alarmed when, during a meeting in May, Sol Melia executives outlined plans for a golf course at Xcacel. A seaside hotel in Costa Rica that Sol Melia has touted as an example of its commitment to build "in concert with nature" features an 18-hole golf course and a discotheque.

Construction at Xcacel has not yet begun, but Sol Melia employees who put up a barbed-wire fence around their newly purchased property chopped down 1,200 rare palm trees, said Juan Carlos Canini, Greenpeace's Mexico director. Mr. Sanchez denied that.



President Joseph Estrada of the Philippines, center, getting out of his plane as he arrived in Kuala Lumpur for the APEC conference.

GORE: Speech Jolts Malaysia

Continued from Page 1

views on currency trading. The prime minister has consistently blamed currency speculators and under-regulated capital flows for the 18 months of economic turbulence in Southeast Asia.

The Malaysian government has been battling weekly street protests in the capital since Mr. Anwar was detained.

"Unfortunately he doesn't understand what is going on in this country," Mrs. Rafidah, the trade minister, said after Mr. Gore's speech. "And to talk about people power at a time when demonstrations are happening in Indonesia, for example, when lives are lost and condoning that — my God."

Several days of anti-government riots in Indonesia over the last few days — events closely watched in Malaysia — have left at least 14 dead.

"People will accept sacrifice in a democracy," Mr. Gore said, "not only because they have had a role in choosing it, but because they rightly believe they are likely to benefit from it. Democracies have done better in coping with economic crisis than nations where freedom is suppressed."

■ Gore and Jiang Meet

In a two-hour meeting, Mr. Gore, and President Jiang Zemin of China talked Monday about Taiwan and Tibet but made no progress on those

or other sources of Chinese-U.S. conflict. The Associated Press reported from Kuala Lumpur.

Both sides described the meeting as friendly, and officials said comments by both men consisted largely of reiterating their government's positions. A U.S. official said

Mr. Gore issued an invitation for the Chinese prime minister, Zhu Rongji, to visit the United States, and that Mr. Jiang had accepted.

"It was a conversation between people who know each other well," said the official. A spokesman for the Chinese Foreign Ministry, Zhu Bangzao, briefing reporters on the meeting, repeated Beijing's contention that the Dalai Lama, the exiled Tibetan leader, was "aiming at splitting the motherland."

Last week, China protested Mr. Clinton's meeting with the Dalai Lama and a visit by a U.S. cabinet official to Taiwan, asserting that the United States was interfering in domestic Chinese affairs.

Mr. Gore accused the United States of violating its commitment to recognize the one-country policy, the Chinese spokesman said. According to Mr. Zhu, Mr. Gore said U.S. policies on Tibet and China had not changed.

APEC: Plan for Revitalization

Continued from Page 1

restructuring." He added that the World Bank and the Asian Development Bank would more than double lending for social programs.

Mr. Gore said that if Asian financial systems were to be revitalized, "that means lifting the mountains of bad debt that are crushing many banks and corporations throughout the region — leaving them struggling to pay workers and creditors, and leaving them unable to secure the financing to keep factories open and economies humming."

But at a joint press briefing later by two senior officials, from the United States and Japan, the U.S. official said that the initiative was "not going to be a big bang solution to the region's problems."

He said it was a "modest, quite sensible set of proposals that go right to the core of the near-term challenges to recovery."

The officials said that Washington and Tokyo aimed initially to raise \$5 billion in bilateral and multilateral support for bank and corporate restructuring, an amount that could be used to attract substantial new private financing.

Investment bankers estimate that it will take more than \$100 billion just to recapitalize banks in Indonesia, Thailand and South Korea — the three East Asian countries hit hardest by the crisis.

The Japanese official said that Tokyo would provide loan guarantees worth \$3 billion to the Asian Development Bank.

Analysts said this suggested that the bank would be encouraged to guarantee

loans from ailing Asian countries, as the World Bank is already doing selectively, so that they could issue bonds to recapitalize banks that lend to social programs.

Because of the financial crisis and recession, many East Asian countries can no longer raise money in international capital markets because the interest rates demanded by potential lenders are too high.

The credit shortage and economic slowdown have also caused a sharp contraction in Asian trade, especially imports.

Mr. Gore said that the U.S. Export-Import Bank would provide an additional \$1 billion in medium-term trade finance for Indonesia, Thailand and South Korea. This supplement \$5 billion already made available by the United States to those countries to revive trade.

Mr. Gore added that the Overseas Private Investment Corp. would provide more than \$2 billion in insurance and financing to support new private investment in Asia.

Mr. Clinton and Mr. Obuchi said in their statement that the United States and Japan would shortly organize a meeting in Tokyo of senior officials and technical experts, from both countries and from other Asian economies and multilateral institutions to finalize details of the program.

"Japan and the United States welcome the participation of other economies in this initiative and encourage any interested economies to attend this meeting," they said. "The entire international community has a stake in restoring growth in Asia."

These securities have not been registered under the Securities Act of 1933 and may not be offered or sold in the United States except in accordance with the resale restrictions applicable thereto. These securities having been previously sold, this announcement appears as a matter of record only.

NTT DoCoMo

NTT Mobile Communications Network, Inc.

¥2,125,500,000,000
(Equivalent to U.S. \$18,378,928,924)

Global Offering
of
545,000 Shares of Common Stock

in the form of Shares or American Depository Shares
of which

218,000 Shares were sold by Nippon Telegraph and Telephone Corporation

Joint Global Coordinators and Joint Bookrunners
The Nikko Securities Co., Ltd. **Goldman Sachs International**

International Offering
98,100 Shares

This portion of the offering was offered outside the United States, Canada and Japan by the undersigned.

Goldman Sachs International

Dresdner Kleinwort Benson

Warburg Dillon Read

HSBC Investment Banking

Robert Fleming & Co. Limited

United States Offering
65,400 Shares

This portion of the offering was offered in the United States pursuant to Rule 144A under the Securities Act of 1933 and in Canada pursuant to Regulation S.

The Nikko Securities Co. International, Inc.

Morgan Stanley Dean Witter

Salomon Smith Barney

Japanese Retail and Corporate Offering

245,250 Shares

This portion of the offering was offered to retail and corporate investors in Japan by a group of underwriters lead managed by the undersigned.

The Nikko Securities Co. Ltd.

Japanese Institutional Offering

136,250 Shares

This portion of the offering was offered to institutional investors in Japan by a group of underwriters jointly lead managed by the undersigned.

The Nikko Securities Co. Ltd.

November 1998

ESSEC meets the most exclusive international standards



Paris-based ESSEC
is the first European
school of management
accredited
by the AACSB

We would like to thank:

- the AACSB for recognizing ESSEC's unique contribution to management education,
- our 15,000 students and alumni who can each take pride in ESSEC's recent AACSB accreditation,
- our faculty and staff for their relentless pursuit of excellence,
- the major international corporations whose partnerships favor our direct involvement in the business community,
- the Versailles Val d'Oise-Yvelines Chamber of Commerce and Industry for their on-going support.

For further information, please contact Stéphanie Mestivier
Tel: 33 1 34 43 31 97 - Fax: 33 1 30 38 98 98
E-mail: mestivier@edu.essec.fr - Web: http://www.essec.fr

GROUP ESSEC, private School of Management
affiliated to Versailles Val d'Oise - Yvelines
Chamber of Commerce and Industry

• The International Association for Management Education.

ESSEC

Tomorrow, you will show the way

EUROPE

No Answers (but No Panic, at Least) in Primakov's RussiaBy Daniel Williams
Washington Post Service

MOSCOW — When Prime Minister Yevgeni Primakov took office, miners and other workers had embarked on wildcat strikes; rumors of impending violence circulated widely and Russians panicked about when their next paychecks were coming from and how much they would be worth. A rudderless Russia seemed headed for disorder, even disintegration.

Two months later, Mr. Primakov has yet to explain fully his plans for pulling the country out of economic depression, winter food shortages still threaten wide areas, and the day-to-day value of money is anyone's guess. Yet, the streets are quiet, and forebodings of collapse have evaporated. Most politicians say only good things about Mr. Primakov, and he is by far Russia's most

trusted leader, polls show. Mr. Primakov could be called Russia's Great Tranquillizer.

"There's no question that Primakov has brought political stability," said Vyacheslav Nikonov, director of Politika, a Moscow research institute.

"The country is not in panic. This is his main achievement."

This calm contrasts sharply with the alarm in Western capitals, particularly Washington, over Russia's fate. Deputy Secretary of State Strobe Talbot, the senior Russia hand in President Bill Clinton's administration, warned last week that under plans floated by the Primakov government to print rubles and abandon tight spending policies, Russia will be "at the mercy of the printing press, cranking out rubles to meet payrolls and keep bankrupt enterprises afloat."

The economy is most likely to get

worse before it gets better, he said. "Economic decline carries with it the danger of political drift, turmoil or even crackup," he said.

A few Russian observers share such concerns, but they argue that a weakened and ailing President Boris Yeltsin was willing to take economic risks in return for quiet.

"Immediate peace was gained at the expense of driving reforms underground," said Alexander Belker, a leading political journalist. "The problem is, the calm can't last so long as the basic situation still exists."

Andrei Piontovsky, a communist and political analyst, said: "Primakov is playing two roles at once. He is a presidential stand-in concerned with national unity at the same time he is a prime minister who may have to take unpopular decisions. It is impossible to play both roles."

Mr. Primakov's government has produced a hodgepodge of ideas, many of them contradictory. Mr. Primakov's cabinet sometimes seems to be more of a debating society than a decision-making body. Its members are unable to agree, for instance, on whether and how much to inflate Russia's economy by

ruble devaluation.

Yuri Maslyukov, the deputy prime minister in charge of economic affairs, said 15 billion rubles (\$941 million)

ought to be printed. Later, the number was upped to 25 billion. Finance Minister Mikhail Zadornov, a holdover from previous market-reform governments, warned that to cover expenses,

80 billion will have to be minted. Mr. Primakov said that ruble "emissions" would be minimal — and that is where the matter has been left.

In effect, Mr. Primakov chose a cabinet of warring camps — a situation not

terribly different from previous cabinets in which market reformers and advocates of government involvement in the economy competed. "The problem is that the personnel of the government itself was chosen according to the principle of compromise," wrote the newspaper *Izvestia* in a critique.

Nonetheless, there is a change. In the past, the balance of power fell on the side of the reformers, whose champion, Anatoly Chubais, was usually in charge of overall economic policy.

This time, Mr. Maslyukov, a veteran Soviet central planner, is in charge. He resolutely rejects the austen budgets that past governments tried to enforce as well as the abandonment of Russian industry.

He favors subsidies to ailing industries, especially defense factories, and has advocated the printing of money to cover handouts.

He is opposed by the Finance Ministry, which has drawn up a tight budget for next year. Deputy Finance Minister Oleg Vugrin said the cabinet is split over where to cut taxes, how much of a budget deficit to tolerate and whether the state should print money to stimulate industrial growth.

Mr. Primakov has kept his opinions to himself. An adjective commonly applied to him is "Sphinx-like." His style of running cabinet meetings is described as academic, as if he were running a seminar. No one shouts, least of all him, and everyone is heard. His economic program has been modified several times, and sometimes he edits copies of it by hand.

The Communists seem attracted by

Mr. Primakov's emphasis on solving short-term problems of wage delays to state workers, delivery of welfare benefits and ensuring food supplies.

"We believe the core of the approach is the normalization of people's lives," said Igor Bratschnev, a Communist Party member and economist.

Moreover, the Communists are pleased with the absence of sweeping reform proposals. In that, the contrast between Mr. Primakov's reign and that of a predecessor, Sergei Kiriyenko, is striking. Nothing is heard about basic reforms of the pension system, an end to housing subsidies or the streamlining of the bureaucracy. No more rhetoric about bringing powerful tycoons to heel



An old woman begging passers-by for money in an underground passage in Moscow.

Germans Won't Give Direct Aid to Russia*The Associated Press*

MOSCOW — Germany will not give Russia any emergency financial aid outside the money it is providing through international lenders, Chancellor Gerhard Schroeder told Russian leaders in Moscow on Monday.

"The possibilities are exhausted" for additional German aid, Mr. Schroeder said, although Bonn sent along 1.5 metric tons of medicines with the chancellor for Russia, German officials said.

Mr. Schroeder, on his first trip to Russia as Germany's leader, met with Prime Minister Yevgeni Primakov on Monday. Both pledged to ensure that Russian-German relations would continue to flourish.

Mr. Schroeder's predecessor, Helmut Kohl, had close ties with President Boris Yeltsin of Russia, a relationship that had helped secure significant German investment and aid.

Mr. Primakov said the relationship with Germany was a "priority" for Russia.

"We realize Germany's standing in Europe and the world and retrospectively view the path it has traveled since the end of World War II to its current prosperity," Mr. Primakov said at the start of the meeting. "Naturally, we would like to learn more about your experience."

The Russian government needs foreign aid to pay off its huge debts, but the International Monetary Fund and other international lenders have stopped releasing loans, saying they want Moscow to start carrying out a sound economic plan first.

under the rule of law and of creating a "people's capitalism" of open competition and fair play. No talk about putting farm land in private hands or simplifying Russia's encyclopedic tax code.

"We are convinced that the direction of reform has been altered," said Mr. Bratschnev.

Mr. Primakov has also taken an evasive approach with the International Monetary Fund in hopes of securing easy loans to support the ruble and lay the groundwork for easing Russia's debt burden. He asked for loans before having presented a complete economic program. But the IMF has balked in the absence of an outline of government objectives. Mr. Primakov countered that drawing up spending targets is impossible unless he knows what loans to expect.

By the government's own calculations, inflation will soar without the IMF's help.

3 Convicted For Crimes Against Serbs*The Associated Press*

THE HAGUE — A United Nations tribunal convicted three men on Monday of war crimes committed against Bosnian Serbs in 1992, but dropped some murder and torture charges against them and acquitted their top commander.

In its first case to deal with atrocities against Serbs, the criminal tribunal for the former Yugoslavia cleared Zeljko Delalic, a Muslim, of responsibility for war crimes committed at a Bosnian government-run prison camp under his overall command.

The prosecutor, Grant Niemann of Australia, said he would appeal Mr. Delalic's acquittal. Judges freed Mr. Delalic pending the outcome of the appeal.

"Let me thank you for a just and fair judgment," Mr. Delalic told the court. "I think it is a very wise judgment and a very courageous one."

He added, "The judgement has even increased my trust in this institution."

The tribunal convicted a camp commander, Zdravko Masic, a Croat, of 11 war crimes and grave breaches of the Geneva Conventions because he oversaw guards who murdered nine Serbs and tortured six. Mr. Masic smiled as he heard his seven-year sentence pronounced.



Zdravko Masic, left, shaking hands with his attorney Monday before the court session in The Hague at which he was convicted of 11 crimes.

The deputy prosecutor, Graham Blewitt of Australia, said he was considering appealing Mr. Masic's "inadequate" sentence.

Mr. Masic's conviction was the first by an international court on the basis of "command responsibility" since post-World War II trials convicted German and Japanese superiors for the crimes of their subordinates.

"Mr. Masic was clearly derelict in his duty," said the presiding judge, Adolphus Karibi-Whyte of Nigeria, "and allowed those under his authority to commit the most heinous of offenses, without taking any disciplinary action."

Hazim Delic, a Muslim who served as Mr. Masic's deputy, was found guilty of two murders and of raping two women as well as torturing other inmates. He was sentenced to 20 years in prison by Judge Karibi-Whyte, who denounced rape as "a despicable act which strikes at the very core of human dignity and physical integrity."

Ezid Landzo, a Muslim guard, convicted of killing three prisoners and torturing at least three others, was sentenced to 15 years. His attorneys are likely to appeal the conviction.

RUSSIA: Dangerous Relics From Cold War

Continued from Page 1

at the present pace, it will take decades to remove the mountain of spent nuclear fuel that has accumulated on the Kola Peninsula. More than 100 decommissioned submarines, reactors intact, are floating in rusty oblivion in nearby fjords and bays because Russia cannot afford to off-load their spent fuel and cut them up.

"We can't cope with this problem until we become a rich country," said Andrei Zolotkov, a chemical engineer who works with Russia's fleet of civilian atomic icebreakers and who played a key role in exposing Russia's dumping of old naval reactors in the oceans in the early 1990s. "In the near future we are not going to solve it. It will take 20 to 30 years to off-load all the fuel in the north."

In recent years the United States, Russia's neighbors and environmental groups have all raised alarms about the growing backlog of submarines and nuclear materials in Russia's Northern Fleet. There has been some progress: Russia stopped dumping nuclear waste at sea and has started processing some liquid waste. But the main problem — what to do with the nuclear fuel and reactors — has left Russia paralyzed. It is another costly, unresolved legacy of the Cold War.

In the Soviet era, "when they produced nuclear submarines, it's ridiculous, but nobody thought about how to decommission them," said Alexei Yablokov, head of the Center for Russian Environmental Policy in Moscow. "How is it possible, even in such a centralized economy, that no one thought about the fate of these submarines?"

This year, the problem has been compounded by Russia's deepening economic woes. Food shortages have stricken the navy, and calls have gone out for donations of porridge to feed sailors. In August, a 19-year-old submarine went berserk, killed eight people, locked himself in the torpedo room and threatened to blow up the ship before killing himself. A nuclear-armed submarine had an accident last May that caused panic in nearby towns; it remains unexplained.

While the pace of destroying the submarines and reprocessing the fuel has lagged, the authorities have tried to conceal pollution and accidents. The Federal Security Service brought treason charges against two whistle-blowers who called attention to nuclear accidents and waste dumping. The Northern Fleet refused to respond to a reporter's questions about the submarine problems.

Unsuccessful in disposing of the piles of nuclear materials, the navy transferred the mess last July to the Atomic Energy Ministry. The ministry is also facing hard times; its nuclear weapons scientists go unpaid for months at a time.

To cope with the submarine problem, the ministry announced it would use budget money and also sell scrap metal to the submarines. But Russia's government finances are worse than ever, and Mr. Zolotkov, the chemical engi-

"Cancel the warm milk. I don't think I'll need it."

The advantages of a Four Seasons Hotel are obvious even in the dark. There's the sensation of slipping between fine cotton sheets, thoughtfully French-folded for dreamlike comfort. The luxury of curling up under our goose-down duvets. The back-soothing firmness of our mattresses, every one custom-made to

Four Seasons specifications. Awakening hours later, you may feel as if you haven't slept so soundly in years. So we apologize, in advance, for the promptness of our wake-up call.

The demands of business demand nothing less. Phone your travel counsellor or

0800-526-646; in London, call 629-5800. Visit our web site: www.fourseasons.com

Defining the art of service at 40 hotels in 19 countries.

© Four Seasons Hotels Limited

EU Security Talks

ROME — Western European foreign and defense ministers began talks Monday on how Europe can assume more responsibility for its security, particularly in managing crises.

The talks were the first since Britain gave new impetus this fall to the debate on European security by dropping its opposition to the European Union's developing a military role.

Meetings were taking place under the aegis of the Western European Union, which a majority of EU countries want to develop as the bloc's security arm. (AP)

ESSEC meets
the most exclusive
national standards
Paris-based ESSEC
is the first European
school of management
accredited
by the AACSB.

ESSEC
will show the way

ASIA/PACIFIC

Jakarta Questions Habibie's Critics*Crackdown Follows President's Warning to 'Subversive Elements'*By Seth Mydans
New York Times Service

JAKARTA — In its first crackdown on political opponents since taking office six months ago, the government of President BJ. Habibie interrogated 11 prominent critics Monday and harried most of them from leaving the country.

The targets included two respected former generals who had also opposed President Suharto, as well as several prominent middle-class figures and a sister of one of Mr. Habibie's chief political rivals, Megawati Sukarnoputri. A police spokesman said more interrogations would follow.

Government critics said Mr. Habibie was betraying his promises of political openness and resorting to the tactics of his predecessor, Mr. Suharto.

The interrogations follow huge

demonstrations in recent days in which at least 16 people, including 8 students, were killed and many scores were wounded. It was the worst violence here since citywide rioting last May that helped bring down Mr. Suharto.

On Saturday Mr. Habibie announced that he had ordered the military to take firm action against what he called "subversive movements." The interrogations began soon afterward, with some of the targets taken from their homes late at night.

In a speech Monday, with his defense minister, General Wiranto, at his side, Mr. Habibie said, "With concern, we see how certain political groups have tried to use the student movement to topple the legitimate government, obstruct the reform agenda and damage people's trust in the government."

Since Mr. Habibie took office, suc-

ceeding Mr. Suharto from his vice presidential post, critics have challenged his legitimacy to lead the country. Mr. Habibie enjoys only thin public support and shares a delicate balance of power with the military.

A Parliament session last week scheduled a new election for next spring, to be followed by an electoral assembly that would name a new president. But Mr. Habibie's opponents want to remove him immediately.

Most of the people summoned for questioning had signed a communiqué last week calling for Mr. Habibie to be replaced by a transitional government led by a presidium of community leaders, with elections to follow.

"I fear the students will take to the streets again, even more brutally," said Adnan Buyung Nasution, a prominent human rights lawyer.



Beware of Suhartoism" warns a sign depicting Indonesia's former president as a vampire during a demonstration Monday in Jakarta.

Okinawa Voters Appear to Put Economy FirstBy Kevin Sullivan
Washington Post Service

TOKYO — In a boost for U.S. military interests in Japan, a pragmatic conservative has been elected governor of Okinawa, defeating the incumbent, Masahide Ota, a vocal critic of the U.S. troops stationed in his island prefecture.

The governor-elect, Keiichi Inamine, 65, former chairman of a local petroleum company, has promised a more moderate stance toward the troops than Mr. Ota, 73, who has advocated removal of all 29,000 of them from Okinawa by 2015.

The U.S. troop presence is a divisive issue in Okinawa, but in the end voters seemed more concerned

with the prefecture's sickly economy. Japan's least populous prefecture has the nation's highest unemployment rate, 9.2 percent, and a business base that has been deeply affected by the national recession.

The people of Okinawa are weary of years of accidents, crime and other poor behavior involving the Americans stationed in their midst. But Mr. Inamine's election signals a new willingness to work with the U.S. military to reduce the problems, rather than against it to force the Americans out.

The election result comes as a relief to the government of Prime Minister Keizo Obuchi, which campaigned for Mr. Inamine. Mr. Ota's hard-line stance on military issues created dif-

ficulties for Tokyo, which is trying to forge closer military ties with Washington while assuaging anti-base sentiment in Okinawa.

In a victory speech Sunday night, Mr. Inamine said: "Okinawa is plagued by a deep sense of no-way-out, being mired in both the base issue and flagging economy. I want to break that impasse." With more than 98 percent of the ballots counted, he had received 370,225 votes to Mr. Ota's 332,796.

Mr. Inamine noted in the campaign that the U.S. presence, while often difficult, added jobs and money to the local economy. More important, he contended that a more pragmatic approach to the troops would free up economic assistance from the nation-

al government. Tokyo has frozen hundreds of millions of dollars in development aid over Mr. Ota's stance, which has made it hard for Tokyo to fulfill some promises to Washington.

The most contentious election issue was a floating heliport that the U.S. military proposed building off the coast of Okinawa to replace the Futenma Marine Corps Air Station, an airstrip in the middle of a congested Okinawa city.

Both Mr. Ota and Mr. Inamine opposed the floating heliport. Mr. Ota said Futenma should be closed and its operations moved to another area of Japan—or perhaps Hawaii or Guam. Mr. Inamine said a new heliport should be built in the less congested northern part of Okinawa.

BRIEFLY

Taleban Foes Report Taking More Land

ISLAMABAD, Afghanistan — Afghan forces loyal to Ahmad Shah Masoud gained some territory from the Taliban Islamic militia after heavy fighting in northern Afghanistan on Monday, a Pakistan-based Afghan news service said.

The Afghan Islamic Press, quoting its sources in Afghanistan, said that Mr. Masoud's forces launched an attack on the Taliban in the Nijrab district of Kapisa province and seized some ground from the Islamic militia.

A Taliban spokesman said that the militia might have lost some territory to Mr. Masoud, but that the opposition's advance had been stopped. Nijrab is 60 kilometers (36 miles) north of Kabul, the Afghan capital. (Reuters)

India Tests Naval Missile

NEW DELHI — India successfully completed a series of test firings on Monday of the naval version of its surface-to-air Tripathi missile, the Press Trust of India reported.

The news agency quoted the chief controller of the Defense Research and Development Organization, A. Sivathan Pillai, as saying that all mission objectives were fully realized and with this launch the present series of tests of the missile's naval version had been completed.

The project's director, A. K. Kapoor, said the missile was fired at a floating target from a navy vessel in southern Cochin. (Reuters)

Chinese Ecologist Killed

BEIJING — China's leading protector of the endangered Tibetan antelope and other rare species was killed in a remote northwestern province on Nov. 8, China Youth Daily reported Monday.

The conservationist, Zhang Duoqie, deputy Communist Party secretary of Zhihai County in Qinghai Province, was gunned down at his home in nearby Yushu, the newspaper said, using his Chinese name.

The wife of the ethnic Tibetan conservationist had gone to a neighbor's house when she heard three shots from her home and rushed back to find her husband lying in a pool of blood with a bullet hole below his left ear. The killing is under investigation. (Reuters)

Sindh Legislators Barred

KARACHI, Pakistan — Hundreds of policemen used water trucks Monday to seal off the assembly building of Sindh Province in an attempt to stop opposition lawmakers from holding a session the government says is illegal.

On the orders of the provincial governor, Moinuddin Haider, the police blocked roads and did not allow 54 lawmakers to enter the assembly. Prime Minister Nawaz Sharif's government dismissed the Sindh government Oct. 30. Mr. Sharif said the move was justified to stop violence in Karachi, the capital of Sindh and the country's financial center. (AP)

KOREA: Policy in 'Disarray'

Continued from Page 1

sort of inferiority complex recently, so this would probably be a good time for Clinton to reassure us that the U.S.-Japan relationship is the most important," said Yasunori Sone, a Keio University political science professor spending this year on a research fellowship at Harvard University.

While Mr. Clinton is expected to urge Japan to continue efforts to revive its economy, he is also arriving here to give Japan the reassurance it is looking for. That will be easier in light of the new stimulus package announced Monday, which Masaozou Toyoda, a top official in the Ministry of International Trade and Industry, called a "welcome souverein" for Mr. Clinton.

Mr. Obuchi, struggling to gain public confidence, hopes the massive economic revival plan will give Mr. Clinton reason to praise Japan, rather than criticize it, during his two-day visit that starts Friday — his first trip to Japan since 1996. The stimulus plan was also aimed at assuaging critics at this week's meeting of the Asia-Pacific Economic Cooperation forum in Malaysia.

If Mr. Clinton continues to take a hard line on Japan's economic efforts, Mr. Sone said, it could cause further deterioration of relations between the world's two largest economies at a time of great uncertainty in international financial markets.

"The relationship is more tenuous than it has been for many years," said Ezra Vogel, a leading Asian scholar who has served as a top adviser on the region to the U.S. government.

Japan may get the reassurance it is looking for in classic Clinton style, as the president is scheduled to appear on a "town meeting" type of television show where ordinary Japanese ask him questions. Mr. Morita, the analyst, said it would be "impossible" for Mr. Clinton to win over a Japanese public that is pan-phobic America or the policies it preaches for Japan's rising unemployment, soaring bankruptcies and the increasing suicide rate that has resulted.

Mr. Morita said many Japanese believe that the economic remedies the United States has been pushing — deregulation, more transparency in business, less reliance on cronyism and tougher lending standards — had led Japan deeper into economic trouble. "Most of the public will think it's just a show," Mr. Morita said of Mr. Clinton's television appearance.

Others give Mr. Clinton better odds on warming up the Japanese public. "They don't have a feeling he's really committed to Asia, but they like him," Mr. Vogel said.

Beyond economics, officials in both Japan and South Korea say they are worried that the hinges have come completely off Washington's policy toward North Korea at a time when Pyongyang is making its most threatening gestures in recent years.

Pyongyang has given Asia the jitters with its test-firing of a surprisingly sophisticated rocket over Japanese territory in August. U.S. spy-satellite images show that thousands of North Korean workers are digging a huge underground complex that defense officials fear may be designed to produce nuclear weapons.

Those reports have severely strained Mr. Clinton's engagement policies toward the Stalinist state. In response to the criticism, Mr. Clinton last week appointed a former defense secretary, William Perry, as North Korea Policy Coordinator charged with conducting a review of all U.S. policies toward Pyongyang.

A high-level delegation from the U.S. State Department, led by a special envoy, Charles Kartman, is visiting North Korea this week to press for an explanation of the huge underground construction project.

Critics say a landmark 1994 deal, in which North Korea agreed to shelve its nuclear weapons program in exchange for two nuclear power plants and deliveries of fuel oil, should be abandoned if it turns out that North Korea is again pursuing nuclear weapons.

Opposition Rejects Bid to End Strikes In Bangladesh

The Associated Press

DHAKA, Bangladesh — Bangladesh's main opposition leader on Monday rejected an offer by the government of Sheikh Hasina Wazed to try to bring an end to a series of political strikes and instead announced a new campaign against the governing party.

At a public rally Monday, Khalida Zia, leader of the main opposition Bangladesh Nationalist Party, threatened to enforce a "continuous" strike if the government did not end what she described as "repressive policies" toward its opponents. On Sunday, Sheikh Hasina urged the country's political parties to bring an end to strikes that have hobbled the economy.

Seven people were injured and more than 500 injured during last week's 60-hour strike, the longest shutdown, since Sheikh Hasina's government came to power two years ago. Business leaders claimed the strike cost the impoverished country \$200 million in revenue.

But Begum Zia said her campaign was justified. "Our movement is to protect the country and the people," she said, calling for a new hunger strike on Nov. 23 to protest government policy.

The International Herald Tribune is convening its fourth annual Southern Africa Trade & Investment Summit in December.

Speakers include: President Festus Mogae of Botswana, Prime Minister Hage Geingob of Namibia, Deputy President Thabo Mbeki of South Africa, Prime Minister Pascoal Manuel Mocumbi of Mozambique and William Daley, US Secretary of Commerce.

This will be joined by business and finance leaders from the region, as well as renowned international figures and senior representatives from some of the world's leading companies currently investing in Southern Africa.

SUMMIT SPONSORS

ENGEN

BLACK & VEATCH

Standard Bank

CORPORATE SPONSOR

ISCOR

JCI Projects(Pty)Limited

OFFICIAL COURIER

tropex

ESSEC**EXECUTIVE****MBA**

Portrait of today's 104 participants:

- 28 nationalities,
- 70% have a Master's or PhD,
- 80% are sponsored by their companies,
- Average age: 34 years old.

GROUP ESSEC is the first European school of management accredited by AACSB.

GROUP ESSEC, private School of Management affiliated to Versailles Val d'Oise - Yvelines Chamber of Commerce and Industry.

* The International Association for Management Education.

Your contact: Maud Laffaille, 33 1 46 92 49 71

Fax: 33 1 46 92 49 91

E-mail: laffaille@edu.essec.fr

□ YES, I wish to receive the brochure of the ESSEC Executive MBA

Name _____ Surname _____

Company _____ Function _____

Address: □ personal □ professional _____

Postcode _____ City _____

Country _____ Telephone _____

THE OTHER AFRICA

U.S. AWAKENS TO POTENTIAL OF AFRICA'S MARKETS

Trade, though still at low levels, is growing fast.

Spurred by market-oriented reforms in Africa and the Clinton administration's emphasis on trade, U.S. corporations are increasingly looking to the vast but still largely unexplored market in sub-Saharan Africa.

"There has been a very, very important shift, a paradigm shift, in relations between Africa and the United States, from one based on aid to one based on trade and investment," says Sidi Jammeh, chair of the Africa Club, which is composed of 4,200 employees of the World Bank and International Monetary Fund.

U.S.-Africa trade has been growing at double-digit rates over the last three years. The United States already exports 20 percent more goods and services to sub-Saharan Africa than all the states of the former Soviet Union. But the dollar amounts remain small. In 1996, U.S. exports to sub-Saharan Africa totaled only \$6 billion, less than one percent of all exports.

While the United States bought \$15.1 billion worth of goods, primarily crude oil and minerals, from Africa in 1996, the continent accounted for less than 2 percent of total imports.

Largest untapped market

"Africa represents the largest untapped market," says Rose Whitaker, the new — and first — U.S. assistant trade representative for Africa.

Ms. Whitaker's appointment was one of many signs this year that the Clinton Administration and Congress have taken to the importance of the African market.

Deputy Secretary of Commerce Robert L. Mallet says, "Africa represents a great opportunity for the United States. It is a new market that Americans have never paid much attention to."

With a new Congress set to convene in January, supporters of the African Growth and Opportunity Act, which represents a historic shift in U.S. policy toward Africa, are optimistic that the legislation will be approved in 1999.

Citing bipartisan support for passage, Mr. Mallet says, "I'm quite optimistic. I think we have an excellent chance of passage in the next Congress. I believe that there is going to be a renewed effort to get it done."

The bill embodies the Clinton administration's economic policy toward Africa, increasing access to U.S. markets for nations that are committed to political reform, providing market incentives and promoting private sector growth. The bill passed the House easily this year, then was incorporated into an omnibus trade bill that never reached the Senate floor for a vote.

Callisto Madavo, the World Bank's vice president for the African region, says, "The African Growth and Opportunity Act would be a great signal to Africa that Americans are concerned about Africa and are willing to provide opportunities for trade with America."

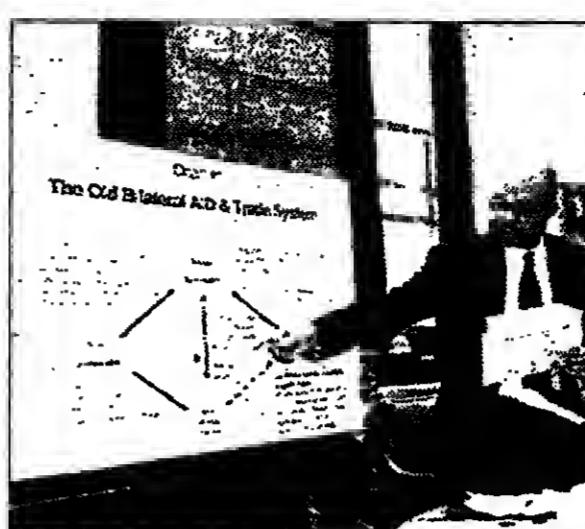
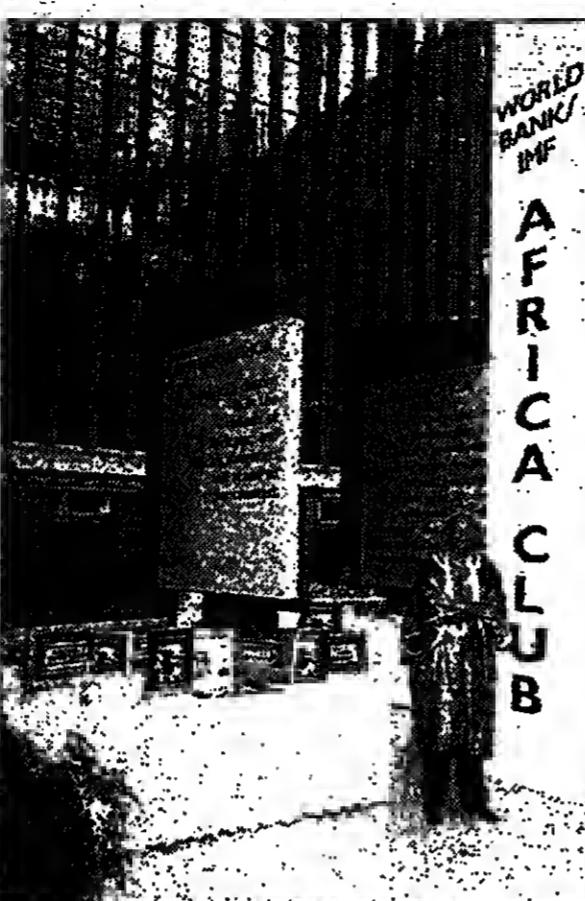
The legislation, which will be introduced early in the session, is expected to continue to emphasize trade-based partnership between the United States and sub-Saharan Africa instead of a relationship based on government aid.

Growth attracting attention

U.S. companies are beginning to pay attention. Along with growing economies, market reforms, dismantling of state-centralized economic systems and political stability in many of these countries — 30 of Africa's 53 countries have held elections this decade — have created interest.

Of the 48 nations in sub-Saharan Africa, 16 had growth rates averaging 5 percent between 1995 and 1996, one of the highest in any developing region. More than a dozen nations, including Angola, Botswana, South Africa and Uganda, have averaged 7 percent annual growth.

The numbers alone are nearly irresistible. Almost 700 million people, 12 percent of the world's population, live in the sub-Saharan region. Half of the population is under 20, an



The World Bank/IMF Africa Club brought together African and U.S. entrepreneurs in Washington, D.C. on Oct. 22-25 for the Africa Day Business Forum. Photo on the right, from left to right: Eric Chinje, vice chairman of the Africa Club; James Wolfensohn, president of the World Bank; and Sidi Jammeh, president of the Africa Club.

BRINGING BUSINESS PARTNERS TOGETHER

U.S. and African companies met at the Africa Day Business Forum

When Bella Marshall, president of Barden International, wanted to expand her business, she looked like an increasing number of American executives, to the African market.

"Everyone is going to Africa these days because there is money to be made there. Profit is not a dirty word," Ms. Marshall said with a bit of hyperbole and lots of enthusiasm.

Ms. Marshall spoke at the Africa Day Business Forum, held in Washington, D.C., Oct. 22-25. Sponsored by the Africa Club, composed of World Bank and International Monetary Fund employees, the forum was an effort to bring together American and African entrepreneurs.

Ms. Marshall, who heads one of the United States' largest black-owned companies, opened a General Motors Corp. automotive distribution and retailing center in Windhoek, Namibia earlier this year along with a plant to convert vehicles from left-hand to right-hand drive. Detroit-based Barden Interna-

tional predicts that it will do \$30 million worth of business in its first year.

Ms. Marshall is emblematic of a new generation of business leaders, market-oriented and fiercely competitive, who are intent on expanding trade between the United States and sub-Saharan Africa. While an earlier generation primarily thought about the United States helping Africa through government aid, leaders in the 1990s are increasingly focused on a trade partnership between the world's most powerful country and the last emerging market.

World Bank President James D. Wolfensohn called the forum, "very important, because it is likely to increase trade among African businesses who might not otherwise know each other, and it gives an opportunity for networking which is extremely important to trade with the United States."

Ms. Marshall spoke at the Africa Day Business Forum, held in Washington, D.C., Oct. 22-25. Sponsored by the Africa Club, composed of World Bank and International Monetary Fund employees, the forum was an effort to bring together American and African entrepreneurs.

Ms. Marshall, who heads one of the United States' largest black-owned companies, opened a General Motors Corp. automotive distribution and retailing center in Windhoek, Namibia earlier this year along with a plant to convert vehicles from left-hand to right-hand drive. Detroit-based Barden Interna-

tional entrepreneurs — over 450 entrepreneurs who had never met had a chance to talk to each other.

Networking

One of the companies exhibiting at the Africa Day

bol of Ghanaian identity throughout the world.

Weaver Bird Kente and Designing, one of the weaving groups, has only 15 employees in rural villages in the Volta Region. Its managing director, Nene Nuer Keleku III, says, "We are a very small company, and we need assistance, working capital, so we can produce more."

His colleague, Stephen K. Agbewali, managing director of Cells Ltd. in the Makola-Accra area, says, "We are looking for American partners. We would like to get an American business to build a factory in our village. We have the land and the young people, but we need financing."

Among the U.S. companies at the forum was Cargill International. The agribusiness firm has invested in countries throughout sub-Saharan Africa, predominantly along the east coast. The company has some 4,000 employees in 23 locations.

Cargill's vice president, Bonnie Raquet, says, "We find that Africa is very ready to do business."

African Development Bank Group

When I grow up I will be the Director or even Chairman of the Board!



Development of Private Enterprise

Just like this little boy, many Africans are full of ambition for themselves and their countries, and possess skills equal to those of the company president! The private sector, with limitless possibilities for a lasting and stable development of the continent, must be aided and encouraged.

Within the ADB, the Department in charge of the development of private sector in Africa (OPSD), has the responsibility of putting into action the policies and strategy of the Bank in this area. The Bank has already granted loans and equities of USD 125 million, in favor of projects with a total cost of about USD 700 million. Assisted projects covered a wide range of sectors including infrastructure projects, financial institutions, manufacturing, mining, agro-business and tourism.

The ADB offers direct assistance without government guarantees to private enterprises and financial institutions through term loans, equity participations, quasi-equity investments, guarantees and underwriting. The Bank also extends lines of credit to private financial institutions for lending to small and medium enterprises.

The African Development Bank has equally initiated

and upheld efforts towards the creation of the African Export-Import Bank (Afreximbank). As part of its efforts to promote entrepreneurship and improve management of African enterprises, the Bank has also co-sponsored, with sister organizations, the creation of the Africa Project Development Facility (APDF) and the African Management Services Company (AMSCO), while redefining methods of more intense collaboration with non-governmental organizations.

The Bank will provide advisory services to African member countries on ways to improve the environment for private enterprise functioning and develop capital markets.

Through the African Development Fund (ADF), the ADB Group has launched new ways to assist African microenterprises under its "AMINA" (ADF Microfinance Initiative for Africa) Program. This initiative will strengthen the capacity of microfinance institutions such as NGOs, village banks and credit unions to provide an appropriate range of financial services including savings and microcredit to the backbone of Africa's future prosperity the micro-entrepreneurs, especially women.

BUILD, AND THE TRADERS WILL COME

Demand for telecoms and transportation infrastructure in Africa provides investment opportunities.

Afica must invest in the basic structure of modern commerce — airports, ports and particularly telecommunications — if it wants to increase international trade significantly, says Omar Kabbaj.

The opening up of state companies in Africa to private investment has been encouraging, says Mr. Kabbaj. But he points out that the privatization process must also include schemes to improve capital markets, protect workers' rights and give local people a stake in privatized enterprises. "The implementation of these actions requires substantial resources, and the United States can play an important role," says Mr. Kabbaj, citing cooperation between the group and U.S. organizations such as USAID and the Overseas Private Investment Corp.

At the recent Africa Day Business Forum in Washington, Robert L. Mallett, the deputy secretary of the U.S. Department of Commerce, told participants that significant opportunities on the continent were being ignored.

"It's a myth that to the extent business opportunities exist on the continent it's primarily from the extracting industries — minerals, mining and oil," Mr. Mallet said.

"Clearly, the substantial demand for infrastructure

provides significant investment opportunities," says Mr. Kabbaj. "The required investment in these sectors cannot be realized without the active participation of private investors — domestic and foreign."

Mr. Kabbaj says that the poor infrastructure has contributed to the continent's declining share of international trade, from nearly 6 percent in 1980 to anemic 2 percent in the late 1990s.

Mr. Kabbaj says that the process of economic growth and poverty reduction cannot be overemphasized.

"Competition in the international market is dependent

on the availability of adequate and efficient infrastructure, particularly export-servicing facilities," he adds.

Until recently, the group's project financing was concentrated in the public sector, but, Mr. Kabbaj says, "this has changed with the decisive orientation of the bank towards the private sector."

Recognizing the importance of improving infrastructure, the group increased its support from 11 of such projects in 1996 to 30 in 1997. The bank now allocates 37.5 percent of its total loans and grants to the transportation and utility sectors.

Mr. Kabbaj says the payoff from such investment will be economic growth.

"The centrality of trade to the process of economic growth and poverty reduction cannot be overemphasized."

"Competition in the international market is dependent

on the availability of adequate and efficient infrastructure, particularly export-servicing facilities," he adds.

Until recently, the group's project financing was concentrated in the public sector, but, Mr. Kabbaj says, "this has changed with the decisive orientation of the bank towards the private sector."

Recognizing the importance of improving infrastructure, the group increased its support from 11 of such projects in 1996 to 30 in 1997. The bank now allocates 37.5 percent of its total loans and grants to the transportation and utility sectors.

Mr. Kabbaj says the payoff from such investment will be economic growth.

"The centrality of trade to the process of economic growth and poverty reduction cannot be overemphasized."

"Competition in the international market is dependent

on the availability of adequate and efficient infrastructure, particularly export-servicing facilities," he adds.

Until recently, the group's project financing was concentrated in the public sector, but, Mr. Kabbaj says, "this has changed with the decisive orientation of the bank towards the private sector."

Recognizing the importance of improving infrastructure, the group increased its support from 11 of such projects in 1996 to 30 in 1997. The bank now allocates 37.5 percent of its total loans and grants to the transportation and utility sectors.

Mr. Kabbaj says the payoff from such investment will be economic growth.

"The centrality of trade to the process of economic growth and poverty reduction cannot be overemphasized."

"Competition in the international market is dependent

on the availability of adequate and efficient infrastructure, particularly export-servicing facilities," he adds.

Until recently, the group's project financing was concentrated in the public sector, but, Mr. Kabbaj says, "this has changed with the decisive orientation of the bank towards the private sector."

Recognizing the importance of improving infrastructure, the group increased its support from 11 of such projects in 1996 to 30 in 1997. The bank now allocates 37.5 percent of its total loans and grants to the transportation and utility sectors.

Mr. Kabbaj says the payoff from such investment will be economic growth.

"The centrality of trade to the process of economic growth and poverty reduction cannot be overemphasized."

"Competition in the international market is dependent

on the availability of adequate and efficient infrastructure, particularly export-servicing facilities," he adds.

Until recently, the group's project financing was concentrated in the public sector, but, Mr. Kabbaj says, "this has changed with the decisive orientation of the bank towards the private sector."

Recognizing the importance of improving infrastructure, the group increased its support from 11 of such projects in 1996 to 30 in 1997. The bank now allocates 37.5 percent of its total loans and grants to the transportation and utility sectors.

Mr. Kabbaj says the payoff from such investment will be economic growth.

"The centrality of trade to the process of economic growth and poverty reduction cannot be overemphasized."

"Competition in the international market is dependent

on the availability of adequate and efficient infrastructure, particularly export-servicing facilities," he adds.

Until recently, the group's project financing was concentrated in the public sector, but, Mr. Kabbaj says, "this has changed with the decisive orientation of the bank towards the private sector."

Recognizing the importance of improving infrastructure, the group increased its support from 11 of such projects in 1996 to 30 in 1997. The bank now allocates 37.5 percent of its total loans and grants to the transportation and utility sectors.

Mr. Kabbaj says the payoff from such investment will be economic growth.

"The centrality of trade to the process of economic growth and poverty reduction cannot be overemphasized."

"Competition in the international market is dependent

on the availability of adequate and efficient infrastructure, particularly export-servicing facilities," he adds.

Until recently, the group's project financing was concentrated in the public sector, but, Mr. Kabbaj says, "this has changed with the decisive orientation of the bank towards the private sector."

Recognizing the importance of improving infrastructure, the group increased its support from 11 of such projects in 1996 to 30 in 1997. The bank now allocates 37.5 percent of its total loans and grants to the transportation and utility sectors.

Mr. Kabbaj says the payoff from such investment will be economic growth.

"The centrality of trade to the process of economic growth and poverty reduction cannot be overemphasized."

"Competition in the international market is dependent

on the availability of adequate and efficient infrastructure, particularly export-servicing facilities," he adds.

Until recently, the group's project financing was concentrated in the public sector, but, Mr. Kabbaj says, "this has changed with the decisive orientation of the bank towards the private sector."

Recognizing the importance of improving infrastructure, the group increased its support from 11 of such projects in 1996 to 30 in 1997. The bank now allocates 37.5 percent of its total loans and grants to the transportation and utility sectors.

Mr. Kabbaj says the payoff from such investment will be economic growth.

"The centrality of trade to the process of economic growth and poverty reduction cannot be over

INTERNATIONAL

Clinton Voices 2 Policies on Iraq With Big Consequences (If He Means It)

By Barton Gellman
Washington Post Service

WASHINGTON — President Bill Clinton has set down two rhetorical markers that have profound implications for his policy on Iraq — depending on whether and how he follows through on them.

In what a senior adviser described as "an important policy statement" that the president intended to highlight, Mr. Clinton said flatly that he not only hoped for a change of regime in Baghdad, but also "will work for" it and "intensify that effort."

If he is serious, it means nothing less than a shift from containment to overthrow as his ultimate objective, a decision neither President George Bush nor Mr. Clinton chose to make before.

This is an unusual and awkward ambition to speak aloud in the world of

diplomacy — "an overt covert operation" to overthrow a sovereign government, as one senior intelligence official put it — and the announcement is driven in part by U.S. politics.

But the underlying decision, three defense and foreign policy

NEWS ANALYSIS officials said, is genuine and goes beyond Mr. Clinton's public offer of "political support" for the regime's opponents.

"I'm not going to go into how we intend to go about this," said an official at the center of Iraq planning. "This needs to be done prudently, with care, and we don't want to encourage foolhardy ventures. We're cognizant of the history here. Obviously if you're really going to change this regime, most of the real action that counts is going to have to be behind the scenes."

Mr. Clinton's second rhetorical com-

miment, by contrast, will be tested for all to see in coming weeks. After nearly three months in which his subordinates almost wrote off United Nations arms inspectors, the president revived last winter's categorical demand for Iraq's "unconditional and complete" submission to the UN Special Commission,

which is known as Unscom.

He announced, in effect, an intention to transform Unscom from the hapless victim of Iraqi obstruction — as his subordinates have described it since August — to a force capable of disarming Iraq of nuclear, biological and chemical weapons and the missiles capable of carrying them.

It is far from clear that Mr. Clinton means to back that demand — which many of his advisers said is certain to go unfulfilled — with an early resort to force. He has other tactical reasons for emphasizing it, first among them his

priority of keeping the stranglehold of an oil embargo on Iraq's economy.

By setting down five Iraqi obligations to Unscom, and by securing the public endorsement of the UN secretary-general, Kofi Annan, Mr. Clinton on Sunday hoped to reverse Iraq's effort, one official said, "to turn the tables and make Unscom prove Iraq is guilty."

"We're trying to stress that the burden of proof is as it is laid out in the resolutions on Iraq," he said.

The government officials who watch Unscom most closely have made it clear for some time that they do not believe the inspectors are capable of disarming Iraq against its will. In an analogy used by two officials, a conquering army can dismantle a foreign military establishment, but an international panel of unarmed inspectors cannot. It was President Bush, they noted, who chose not to

occupy Baghdad.

When Mr. Clinton chose in August to play down Iraq's fail to nearly all of Unscom's work, officials explained his restraint by describing the UN panel as merely one tool among many for containing Iraq and one that had outlived much of its usefulness.

Defense Secretary William Cohen, in congressional testimony a month ago, urged senators not to "overstate" the capacities of international inspectors: "If you take a group of 20 or 30 people, and you put them in a country the size of all of New England, plus New York, plus Pennsylvania, plus New Jersey, and say, 'Go find evidence of chemical weapons,' you are asking a great deal of those inspectors."

Unscom's problem has not, in fact, been mainly that it is searching for needles in haystacks because it had a good deal of help from national intelligence services and developed strong leads on hidden stocks of forbidden arms. Its problem has been that the only doors Iraq would open to the inspectors were doors that led to no useful find.

In a lecture he gave just before he resigned in June 1997, Rolf Ekke, the commission's first executive chairman, noted Iraq's regular use of armed force to block inspections. "We are nothing in Baghdad," he said. "We are, at their complete mercy. They can just stop our work at any time."

American military threats, when backed by a strong UN Security Council consensus, sometimes reversed Iraq's interference with Unscom. But for more than a year, the council's consensus has turned against the inspectors. France, Russia and China in particular supported inspections only when they were not "confrontational," which amounted to meaning they were unobjectionable to Iraq, which in turn submitted to meaning inspectors would discover nothing.

There is little evidence that this diplomatic lineup has changed fundamentally, despite the annoyance expressed by all three of those governments with Iraq's tactics of late. The question is whether Mr. Clinton intends seriously to try to reinvigorate Unscom.

"The purpose we have now set ourselves is to reverse that lack of tolerance for more assertive Unscom action," said a British official involved in Iraq policy. "We are not prepared to accept a hollow Unscom, and the Unscom we've had this last 12 months is not good enough."

That is a surprising statement because more than half the year in question ended under the explicit threat — by the Security Council and Mr. Clinton personally — of "severest consequences" to Iraq in case of any interference with the arms inspectors.

The White House spokesman, Joe Lockhart, and the State Department spokesman, James Rubin, have also described Unscom as unable to do its job for eight of the last 12 months.

On one reading of their words, Washington and London therefore seem to be saying that Iraq did obstruct the inspections all this year, but this time the two governments really mean their threats.

One high-ranking defense official, acknowledging that "we're back to where we were last February," said nonetheless that "this should be the last straw."

"He either lives up to this one or I don't see how anyone could help but say he deserves whatever he gets," the official said.

There are several early tests available if that is true. Last July 18, for example, an inspection team led by Gabrielle Kraatz-Wadsack briefly put its hands on a document at Iraqi Air Force headquarters detailing how many chemical weapons bombs were used against Iran during the eight-year Iran-Iraq war. It showed that Iraq dropped far fewer of the bombs than it reported to Unscom, meaning that there are many yet unaccounted for. When Iraqi officers realized what Ms. Kraatz-Wadsack had, they snatched it back from her.

Foreign Minister Ariel Sharon taking a breather as the Labor Party's leader, Ehud Barak, responded Monday to the prime minister's speech.

comments since he assumed the post. The remarks were broadcast on Israeli radio Monday morning.

"Everyone should take action, should run, should grab more hills," said Mr. Sharon, a longtime advocate of the settlers who now feel betrayed by him. "We'll expand the area. Whatever is seized will be ours. Whatever isn't seized will end up in their hands."

At the same time, though, Mr. Netanyahu received an unexpected present from the party that supposedly represents the settlers. The National Religious Party voted late Sunday to stay within his coalition for the moment, which helps protect him from being toppled.

Even as the verbal salvoes were launched, though, the Israelis and the Palestinians were negotiating the nitty-gritty of the first steps of the accord's implementation. The Israelis were showing maps to the settlers. Bypass roads were being cut through Arab land. And the American peace envoys, Dennis Ross and Aaron Miller, were helping iron out the latest practical and diplomatic wrinkles.



Building a state, Yasser Arafat attended the opening of a water treatment facility in Gaza on Monday.

War of Words on Mideast Peace Pact

But Approval Is Expected as Israelis and Palestinians Discuss Details

By Deborah Sontag
New York Times Service

JERUSALEM — The Israeli cabinet, which began a rowdy debate Monday, is expected to approve the Wye peace agreement on Tuesday by a significant majority.

Palestinian and Israeli leaders were playing to their constituencies with tough talk even as their subordinates, with the help of American envoys, negotiated crucial technical details of the land-for-security plan they signed Oct. 23 at the White House.

To hear the war of words these past few days, one could have been led to believe that the peace accord was in jeopardy. But even as the rhetoric was flying fast, the Israelis and the Palestinians were moving closer to carrying it out.

Breaking free of the restrained, statesmanlike demeanor that has recently characterized his public persona, Yasser Arafat, the Palestinian leader, this weekend threatened another Palestinian uprising if the peace process stumbles.

Israel's prime minister, Benjamin Netanyahu, in turn, demanded a public disavowal of violent threats, saying he would freeze the return of the next chunk of the West Bank to the Palestinians.

And, feeling particularly provoked, Ariel Sharon, Israel's foreign minister, urged Jewish settlers in the West Bank to grab every possible hill before the withdrawal of Israeli troops began.

"These are words meant to distract from the reality of the moment," said Yossi Beilin, a Labor Party member of Parliament and an architect of the peace process. "And the reality of the moment lies in the map."

Starting at the Wye Plantation in Maryland, where Mr. Arafat doffed the

A \$300 Million Plan to Pay For Jews to Travel to Israel

New York Times Service

NEW YORK — In an attempt to rebuild religious identity among young Jews, organizations plan to start a program that will pay for any Jew in the world between age 15 and 26 to travel to Israel for 10 days. The \$300 million program, Birthright Israel, will be financed by the Israeli government, a group of Jewish donors from North America and the Council of Jewish Federations.

Mr. Arafat's statement "endangers the entire Oslo agreement and casts a very dark shadow over the Wye agreement as well," Mr. Netanyahu said.

And, addressing a Parliament of hecklers Monday, Mr. Netanyahu added that if Mr. Arafat did not take back his words, the first pullback of Israeli troops would be threatened.

"I do not intend to implement any withdrawal under such conditions, including the first, until this thing is corrected publicly and in an unequivocal manner," he said.

Like Mr. Arafat, the hawkish Mr. Sharon, who was appointed as foreign minister to placate the right, had been soft-spoken through the negotiations. Meeting with a group of settlers on Sunday night, however, after the Palestinian leader gave his speeches, Mr. Sharon saluted forth with his most provocative

inspectors in a few months, again risking an attack, to protect his secret weapons.

Why should he do it? His goals are simple — far simpler than those facing U.S. officials trying to thwart his ambitions.

"Saddam Hussein has vast megalomaniac ambitions of being the leader of the Arab world and the hegemon of the Gulf, and he sees that his political survival depends on his keeping these weapons," said Jonathan Tucker, a leading expert on biological and chemical weapons.

"His political survival is his primary objective," Mr. Tucker said, "which is why he has accepted such a price to retain them."

The threat that he might someday unleash biological and chemical weaponry makes him a world figure. Without him, he is just another tyrant presiding

over a starving Third World country.

"Without weapons of mass destruction, Saddam is not Saddam," said Judith Kipper of the Council on Foreign Relations. "With them, he's a regional and an international factor."

His secret weapons are his ace in the hole as he fights to keep his status as a leader in the Arab world and to preserve his ability to fight and deter his enemies, who include the Iranians, the Saudis, the Israelis and the Americans, say American officials and international analysts.

To maintain his chemical and biological weapons — and the ability to build more — Mr. Saddam has sacrificed more than \$120 billion in oil revenues and endured a harsh seven-year economic embargo. He has devoted his intelligence service to an endless game of

cat and mouse to hide his suspected weapons caches from UN inspections.

Twice in the last year, when it appeared that the inspectors were getting close to the heart of his biological and chemical weapons secrets, he cut off cooperation with them, setting off another round of threats and defiance and risking a devastating attack by the United States.

Now, by agreeing to readmit the UN weapons inspectors, Mr. Saddam took a step that members of the Security Council have said is required before they can consider lifting economic sanctions imposed after Iraq invaded Kuwait in 1990.

Allowing the inspectors back in is a gamble the Iraqi leader may well feel is worth taking. He and his intelligence services have managed to keep Iraq's biological weapons programs largely

hidden from them despite nearly seven years of intense, intrusive inspections.

It has been 101 days since the last full-fledged inspection. The UN Special Commission, known as Unscom, which conducts the inspections, may well have lost track of developments at 120 suspected chemical weapons sites and 90 sites suspected of biological weapons activities.

The past seven years of inspections have destroyed some 38,500 chemical weapons and a secret biological weapons site, far beyond what seven weeks of bombing did in the Gulf War of 1991.

But much about the Iraqi biological programs is unknown, and they remain a "black hole," in the words of Richard Butler, chief of the special commission.

The Iraqi leader, says government officials and private analysts, doubts that the United States and its allies have the will to remove him from power by any means necessary.

"He survives and thrives by acting and provoking," said Chibli Mallat, a Beirut lawyer and political analyst. "If Saddam agrees to have Unscom back and review his compliance, he'll be in a stronger position — having held back the wave" of the threatened American attack.

He emerged from the latest crisis Sunday in control of his secret weapons sites, his soldiers, his spies, his palaces and his secret police — the pillars of his power.

He may now be confident that he can weather any political storm, protect his secret weapons and his personal power and emerge unscathed, just as he did during and after the Gulf War.

IRAQ: Tensions Wind Down

Continued from Page 1

chance to evacuate. Last week, they left after receiving a U.S. warning.

Asked about this, a Pentagon spokesman replied, "I don't think anyone could speculate on exactly what the procedure would be until the time comes and the president decides, and he and his national security team discuss it." Asked whether the "no warnings" threat meant simply that there would be no attempt to seek UN Security Council approval, the spokesman replied simply, "Unknown."

Mr. Clinton, in seeking to project a determined front even as he stepped back from the use of force, said Sunday that the United States would work with Iraqi opposition groups until a government "committed to peace" took over from Mr. Saddam. On Monday, Iraqi newspapers denounced this as high-handed and provocative, Reuters reported.

Tariq Aziz, the Iraqi deputy prime minister, was also critical of Mr. Clinton's comments, saying, "I have to condemn strongly the statement of Mr. Clinton." He added, however: "We will cooperate. We have a commitment and we respect our commitments."

Critics in the U.S. Congress expressed grave doubts that Iraq, with its repeated pattern of provocations, would remain true to its latest commitment. Nor did they express confidence that the United States and Britain would face up to Mr. Saddam. They fear the failure to attack Iraq this time might be seen as a dangerous failure of nerve. "Saddam cannot be taken at his word," said Senator John Kerry, Democrat of Massachusetts. He said Sunday on Fox TV that the Iraqi removal should be "our goal." Senator Arlen Specter of Pennsylvania said on CNN that deposing Mr. Saddam "should be the next objective."

Mr. Cohen said Monday that the U.S. forces already in the Gulf region would remain "for the time being." That includes 23,000 troops, a dozen warships and 170 aircraft. In addition, reinforcements including six F-117As, six B-52 bombers, four B-1 bombers and some support aircraft that have reached the Gulf will remain for now, officials said.

The White House spokesman, Joe Lockhart, said the United States could punish Iraq at very short notice if it fails to cooperate with the work and movements of UN inspectors and provide them the documents they seek. "We remain poised to act," he said.

More than 50 U.S. warplanes, including 12 F-117As, Stealth fighters and dozens of F-15 and F-16 fighter planes, had stopped at American bases in Europe en route to the Gulf. Mr. Cohen said they probably would return to the United States.

ABORT: Clinton's Decision to Call Off Air Strikes Came Over Some Advisers' Views

Continued from Page 1

Pentagon that the attack plan would result in by far the most deadly military undertaking of his presidency, possibly killing 10,000 Iraqis. "That was the medium case scenario," an administration official said.

A consensus had emerged by the middle of last week among the administration's top officials that the attack should be launched Saturday, although Mr. Clinton did not give the final go-ahead until Friday, according to several officials familiar with the planning.

While Mr. Saddam had begun to disperse some of his military forces in anticipation of an attack, U.S. officials had not seen the extent of movement that they had expected if the Iraqi leader thought air strikes were imminent. Although the 11-hour timing of Iraq's retreat, offered in a letter to the United Nations, suggested Mr. Saddam had been tipped off to the coming attack, U.S. officials said the Iraqi leader had given little sign earlier of realizing how near it was.

"I think he thought that he had some days left," a senior defense official said. "Because there were still things there that we thought he would have tried to protect had he known we were coming."

Also driving the case for striking sooner rather than later, officials said, were developments on the diplomatic front. The UN Security Council had been unanimous in its condemnation of Iraq's breach with UN weapons inspections. Russia and France, which had expressed sympathy in the past for Iraq's chafing at eight years of UN-imposed economic sanctions, had made clear their frustration with the latest Iraqi defiance. So had neighboring Gulf states.

"Things weren't ever going to line up much better for a military strike than

they were," said an administration official who had favored proceeding with it Saturday.

Most of the extra military forces that Mr. Clinton ordered to the Gulf last week had yet to arrive, but administration officials had been saying for days that the United States had sufficient aircraft and ships in the region to carry out a strike.

Pentagon planners had prepared two strike plans, described by one high-ranking officer as "large" and "larger" in terms of the damage they would do.

The smaller plan, which relied heavily on cruise missiles, was tailored to the U.S.

behind military action could be met with a round of phone calls among Washington, London, Paris and other key capitals.

"We're not looking for a chance to engage in polemics with Washington and we're not trying to use questions of principle as a pretext that prevents us from acting when necessary," Mr. Vedrine said.

INTERNATIONAL

As Iraq Tension Eases, Arabs Are Relieved but Israel Is WaryBy Lee Hockstader
Washington Post Service

JERUSALEM — For the second time in a year, Arab nations expressed relief that threatened U.S. air strikes against Iraq had been averted, while Israel, the target of 39 Iraqi Scud missiles in the Gulf War of 1991, took a slightly more wary view.

"Now we are not talking about military strikes," Foreign Minister Amr Moussa of Egypt said. "We are talking about an exchange of views and letters and commitments. I believe this is a very important opening, and the problem, we hope, will be defused."

Jameel Hijjaj, secretary-general of the six-nation Gulf Cooperation Council, expressed hope that the matter would

end in a diplomatic solution as the Iraqi people, he said, were Arab brothers.

But Prime Minister Benjamin Netanyahu of Israel said in a statement:

"Israel has no illusions about the intentions of Saddam Hussein."

The degree of his compliance with his commitments is always in doubt, and therefore Israel will continue to keep its eyes open and ensure it will be ready for every possible situation in the future."

On both sides of the Middle East divide, Arab and Jewish reactions to the apparent resolution of the showdown over Iraq were muted — suggesting, perhaps, that the next crisis may be only months away.

Word that Washington had aborted planned missile attacks against Iraqi targets at the last minute ignited no street

celebrations or triumphal speeches in the Middle East. Rather, there was a sense that the U.S.-Iraqi cycle of tension, challenge and resolution was becoming routine.

"If the choice is between a military response and the return of the inspectors, then the return of the inspectors is a preferred outcome," said Gerald Steinberg, a scholar at the Begin-Sadat Center for Strategic Studies at Israel's Bar-Ilan University. "Assuming now there will be a lot of pressure on Saddam to allow the inspections to go forward, it narrows the ability of Iraq to maintain its facilities for chemical, biological and nuclear weapons. Some of those things will be rolled back a bit."

Shai Feldman, director of the Jaffa Center, a research organization in Tel

Aviv, said it appeared at first blush that the Iraqi president, Saddam Hussein, had again misread U.S. determination to keep him in check.

But he said, there may be another interpretation. "It could be his whole purpose is not the end of inspections but the end of sanctions, and if that is the purpose, Saddam succeeded in drawing attention" to the fact that Iraq has been under sanctions for seven years. Mr. Feldman said.

He added, "If the French and the Chinese and the Russians and others become increasingly vocal on this issue, maybe he won."

During the Gulf showdown in February, tens of thousands of Israelis thronged gas mask distribution centers and many others left the country, pro-

viding fodder for media images of a panicky population. Officials issued contradictory and confusing statements. This time, Israelis took the crisis in stride and their leaders' remarks on the potential dangers were intentionally subdued.

Some Israelis, still smarting from the memory of Iraq's attacks on the Tel Aviv area in 1991, are taken with the idea of seeing Mr. Saddam whacked with cruise missiles. Many others were quietly pleased that war was averted.

"We hope the return of the inspectors to normal work will enable meaningful inspections," Defense Minister Yitzhak Mordechai said in a statement, "that will prevent development and manufacture of weapons of mass destruction and long-range missiles."

Saddam Hard to Topple**Despite U.S. Support, No Foe Gets Far**By Tim Weiner
New York Times Service

WASHINGTON — President Bill Clinton has all but called for a coup against Saddam Hussein, vowing to work with Iraqi opposition groups until a "new government" took power in al-Iraq.

President George Bush did much the same at the end of the Gulf War in 1991, calling on the Iraqi people to rise up and force Saddam Hussein the dictator to step aside.

Thousands of Iraqis died trying to heed that call. And in the seven years since the Gulf War, thousands more have faced prison and death.

The Central Intelligence Agency has come up with at least six plans to undermine the Iraqi leader.

Coups against dictators are "harder to do than to talk about," in the words of General John Shalikashvili, the former chairman of the U.S. Joint Chiefs of Staff. In the case of Iraq, it may be much harder.

Senators and representatives have been talking openly all year about what they perceive as the need to topple Mr. Saddam. The CIA's overseers in Congress have debated how best to carry out a coup. Two weeks ago, the president signed an unusual \$97 million bill that proposes to unify the deeply divided Iraqi opposition.

The CIA has spent nearly that much money since the Gulf War backing four groups trying to subvert Mr. Saddam: Kurdish dissidents in northern Iraq; Iraqi military defectors in Jordan; Shiite Muslim groups in southern Iraq and a

coalition of exiles based in London. None proved effective. They were plagued by internal divisions and, in some cases, infiltration by Iraqi intelligence agents.

Their weakness was exposed in September 1996 when Mr. Saddam crushed a cell of dissidents run by the CIA in Iraq. The operation was destroyed because a Kurdish opposition leader, Massoud Barzani, betrayed it as part of a power struggle with a rival.

This September, the State Department brokered a settlement between the two factions, both of which had been backed by the CIA.

This year, at the request of the White House, the agency has twice drafted plans for covert action against the Iraqi government, only to see them blocked by skeptics in the administration and Congress.

The more ambitious of these plans, drafted in February, would have mounted a major campaign of sabotage in Iraq, enlisting Kurdish and Shiite agents to blow up government broadcast stations and utility plants. The plan was leaked to The New York Times by a senior government official who opposed it, effectively removing the element of surprise. The plot was not finally approved by Mr. Clinton.

Also this fall, Congress passed the \$97 million Iraq Liberation Act, which Mr. Clinton signed on Oct. 31. It authorizes the president, but does not require him, to give guns, money and political support to the fragmented Iraqi opposition.

General Anthony Zinni, the U.S. commander in the Gulf, opposed the act.



A father takes his son for a bumper-car ride at a Kuwait City amusement park. On Monday, Kuwait lowered its state of alert as fears of retaliatory strikes on the emirate eased with the U.S. decision not to bomb Iraq.

"I think a weakened, fragmented, chaotic Iraq, which could happen if this is not done carefully, is more dangerous in the long run than a contained Saddam is now," he said. "I don't think these things have been thought out."

On Sunday, Iraq's deputy foreign minister, Tariq Aziz, condemned Mr. Clinton's statement of support for anti-Saddam groups in Iraq, calling it "a flagrant violation of the Security Council resolutions as well as international law."

But Mr. Clinton said he would carry out the Iraq Liberation Act as best he could.

"Over the past year we have deepened our engagement with the forces of change in Iraq, reconciling the two largest Kurdish opposition groups,

beginning broadcasts of a Radio Free Iraq," he said. "We will intensify that effort."

And then, correcting himself in mid-sentence and tacitly acknowledging how difficult the job would be, the president said Washington would work "to make sure the opposition — or to do what we can to make the opposition a more effective voice."

Global Investors in European Real Estate Summit

Paris January 26-27 1999

in association with
International Herald Tribune

- Americans in Europe are looking for investment opportunities
- Capital Markets Embrace the Euro and its derivatives
- Forces changing Global Real Estate Markets - new players, new rules
- Entertainment, Factory Outlets and Power Centers: new trends
- Corporate Megaprojects and State Selloffs: new opportunities ... and 12 more

ChairmanHenri M. Philippe Alster
AMERICAN EUROPEAN REAL ESTATE, INC., USA**Conference Partners and Speakers**

- AIG GLOBAL REAL ESTATE INVESTORS USA
- CLIFFORD CHANCE France
- COFINIMMO Belgium
- DESPA AG Germany
- ECB ASSET MANAGEMENT Switzerland
- HRO INTERNATIONAL France
- COLONY CAPITAL USA
- DEFA AG Germany
- DEUTSCHE BANK EURYHYP Germany
- GRANVENIR ESTATE
- JE EBBERT France
- KOLLMAN AG Germany
- LEND LEASE USA
- PARKES AND COMPANY UK
- UNITED BANK OF KUWAIT UK
- VIVENDI CGIS France
- WESTPROJEKT & CONSULT GMBH Germany
- MOODY'S INVESTORS SERVICE USA
- MORGAN STANLEY DEAN WITTER USA
- PRUDENTIAL INSURANCE GROUP America

Registration Form To register please print below or affix your business card

Last Name	First Name
Title	
Company	
Full Address	
Telephone	Fax
Zip/Postal Code	E-mail

Payment to "Global Real Estate Institute"

Credit Card, Fax 010 366 1818

American Express MasterCard VISA Diners Club

Cardholder Name _____

Card Number _____ Expiration Date _____

Conference Hotels: Intercontinental Paris +33 1 44 77 11 11 and Cassiletta Wazan Demure +33 1 44 58 44 56
For more information: Tel 212 369 4300 Fax 212 369 1818 e-mail registration@globalrealestate.org

Global Real Estate Institute

GRI

**Herald Tribune****DO YOU LIVE IN THE U.K.?**

- Subscribe and **SAVE** up to 53% off the cover price.

- Also available: **PAY MONTHLY** by easy, low cost, direct debit.

HAND DELIVERY IN CENTRAL & GREATER LONDON & PARTS OF THE SOUTH EAST.

A cosmopolitan, comprehensive and concise newspaper delivered every day to your home or office. In Central and Greater London and parts of South East England, the International Herald Tribune offers early morning hand delivery on the day of publication, Monday through Saturday.

The result? Unique coverage of the world you live in, brought to you as it changes — daily. Postal subscribers are available throughout the UK on the day after publication.

For more information about easy ordering and availability of hand delivery

CALL our Subscriber Customer Service Department:

TOLL FREE: 00800 4 448 7827 (00800 4 IHT SUBS)

or Fax +44-0171 240 34 17

E-mail: subs@iht.com — Internet: http://www.iht.com

YOUR DETAILS

Family Name: _____

First Name: _____

Job Title: _____

Mailing Address: Home Business

City: _____

Postal Code: _____

Telephone: _____

E-Mail Address: _____

Your VAT N° (Business orders only) _____

IHT VAT N° 747 220 211 26

I got this copy of the IHT at: kiosk hotel airline other

I do not wish to receive information from other carefully screened companies.

UK 14

This offer expires on December 31, 1998

and is AVAILABLE FOR NEW SUBSCRIBERS ONLY.

Return your completed coupon to:

Deiphine Prinselaar, International Herald Tribune,

63 Long Acre, London WC2E 9JH,

Fax +44-0171 240 34 17 E-Mail: subs@iht.com

READERS IN OTHER COUNTRIES CAN SUBSCRIBE BY CALLING:

EUROPE, MIDDLE EAST & AFRICA THE AMERICAS

Tel: +33 1 41 43 93 61 Tel: (USA toll free) 1-800-892-2884

Fax: +33 1 41 43 92 10 Exp: +1 212 755 8785

ASIA

Tel: +852 29 22 11 71

Fax: +852 29 22 11 99

AP

EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Last Chance for Iraq

The latest confrontation with Iraq has ended with another promise from Saddam Hussein to allow unfettered access to United Nations weapons inspectors. The apparent peaceful resolution is welcome, and can be credited to President Bill Clinton's renewed willingness to back diplomacy with the threat of force. But this must be the last time that Iraq tries to manipulate the UN Security Council.

Too many times before, Iraq has tried to slip free of its commitments to cooperate in the elimination of its stocks of biological and chemical weapons and the missiles that can deliver them. Its interference with the inspectors has repeatedly forced the United States to build up military forces in the Gulf region at great expense. Faced with a credible threat of force, Iraq has backed down, only to resume its defiance at a later date.

Despite its latest promise, Iraq is still far from fulfilling its responsibilities. Thousands of chemical weapons and tons of deadly germ warfare agents remain unaccounted for.

The only way to bring the inspections process to a timely conclusion and prepare for an eventual end of the international economic sanctions is to give the inspectors the access they require to laboratories, factories, desert hiding places and computer records.

The process will go considerably faster if Iraq not only refrains from interfering but freely provides information about what has been done with

the deadly ingredients it purchased before the Gulf War. That kind of full cooperation and compliance must now become the principal goal of the Security Council with regard to Iraq. Saddam Hussein must be made to understand that no further toying with the inspections process will be tolerated.

If Baghdad again attempts to restrict inspections, Washington, with support from Britain and other allies, need not wait for weeks or even days to respond. The Clinton administration, which reacted too passively last August when Iraq first began baring surprise inspections, did an effective job of coordinating diplomacy and military force this time around. If there is a next time, Washington has rightly made it clear that the American reaction will be prompt and certain, with no further warnings necessary.

If Iraq is truly prepared to cooperate,

the day may come when the chief UN inspector, Richard Butler, can report that all prohibited weapons have been located and destroyed and a reliable long-term monitoring system, including continued surprise inspections, is in place. At such a time, the United States must be prepared for an easing of sanctions, as spelled out under the relevant Security Council resolutions.

But for as long as Saddam remains in power, an airtight and intrusive verification system to monitor his weapons activities will have to be maintained, under threat of force if necessary.

—THE NEW YORK TIMES.

Support for Brazil

The \$41.5 billion international package to support Brazil announced on Friday has several things going for it. It is larger than had been expected, which makes it less likely that speculators will bet against Brazil and therefore makes it less likely that the money in the package will actually have to be used. It includes commitments not only from the International Monetary Fund and the World Bank but also from the United States and other major countries. Finally, it is based on promises by the Brazilian government that long-needed fiscal reforms will be put in place.

Nonetheless, the package is risky. Brazil's currency, the real, remains overvalued, and nothing is being done directly to address that problem. The hope is that the country's existing program of gradual devaluation will eventually cure the problem. But in the meantime that overvaluation could dis-

courage international investment in the country. Only with such investment will it be possible for Brazil to lower the very high interest rates it has imposed to protect the real. Those high rates are very damaging to the economy.

A lot remains to be done on fiscal problems by both the country's Congress and its state governments, and it is far from certain that the needed reforms will be approved. If they are not, the IMF and the other lenders will face difficult decisions regarding continued lending.

Fortunately, world financial markets are far less nervous than they were even a month ago. As the largest economy in Latin America, Brazil's fate is of great importance to the region, and the economic health of the region could make the difference in determining whether the Asian recession spreads to the United States.

—THE NEW YORK TIMES.

The Duty of the House

When the House of Representatives voted in October to conduct an impeachment inquiry, it took on a responsibility that extends beyond the question of whether President Bill Clinton should be allowed to complete his term. However the House members decide to vote on the impeachment issue, the Judiciary Committee and the House as a whole have a separate obligation to judge and, as part of the permanent record in this case, to characterize Mr. Clinton's conduct. The issue is not just his removal — and not just Mr. Clinton.

If the vote is to let him serve on his term, as seems likely, then what does the House mean the country to infer about the acceptable standard of behavior for public officials in the future? Do the flinching Republicans and the president's Democratic supporters mean to suggest that conduct such as his is all right? If that is not the statement, what is? They need to leave no doubt as to what they think — and they need to find the facts in order to do so credibly. That was their duty before the election. It continues to be so now.

Some would walk away from it, on grounds that the exit polls, if not the election returns, made clear that the public is past tired of the matter and wants it dropped. They mock their own voting records if they do so.

Both parties voted overwhelmingly in favor of an inquiry in September; only five members voting against. Members knew at the time, from polling data, that the public opposed impeachment. Nothing has changed since then but their sense of the risk inherent in pursuing their supposed convictions. Is that really how they wish to be perceived — as 435 political wind socks?

We have written before that many of

the facts in this case are well established. The committee need not bother to reconfirm those. The president could ease the burden further by stipulating to some of the questions the committee recently put to him. There will still be some aspects of the case on which we think the committee should take testimony. These involve not whether the president lied under oath and repeatedly thereafter — the circumstances as to that are unfortunately pretty clear — but the extent to which he may have sought to manipulate the testimony and evidence of others — his secretary Betty Currie, for example. To vote having heard only from Kenneth Starr, as the committee leadership has proposed, would be to trivialize the proceedings — to abandon the committee's fact-finding obligation almost entirely.

As to the judgment, the president did not just lie. He abused the machinery of government for more than half a year to sustain the lie. He has acknowledged only the personal aspects of the wrongdoing. He does not entertain the notion that a lie under oath by the nation's chief law enforcement officer in a legal proceeding raises a question as to fitness for office. The proceeding was trivial; it is his defense; the liar gets to choose. Having trashed a standard of behavior, he asks that the national standard of judgment be lowered to match. That will be the precedent set — the legacy, you might say — if the House walks away from this case not having somehow condemned as unacceptable the behavior already spread before it.

The president, oddly enough, would strengthen the case for his retention in office were he to acknowledge the seriousness of his offense. He refuses to do it. The House has to find a way.

—THE WASHINGTON POST.

Herald Tribune

ESTABLISHED 1887
KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER
Co-Chairmen of the Board

PETER C. GOLDMARK Jr., Chairman and Chief Executive Officer
RICHARD WOOLDRIDGE, President and Chief Operating Officer
MICHAEL GETLER, Executive Editor
• WALTER WELLS, Managing Editor • PAUL HORVITZ, Deputy Managing Editor
• KATHERINE KNORR and CHARLES MITCHELMORE, Deputy Editors
• ROBERT J. DONAHUE, Editor of the Editorial Pages
• JONATHAN GAGE, Business and Finance Editor • SAMUEL ABT, Associate Editor
• RENE BONDY, Senior Vice President and Chief Financial Officer
• DIDIER BRUN, Circulation and Development Director
• STEPHEN DUNBAR-JOHNSON, Advertising Director
Directeur de la Publication: Peter C. Goldmark Jr.

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Nanterre sur Seine, France.
Tel: (33) 1 43 93 04 Fax: (33) 1 43 93 04
E-mail: <http://www.iht.com>
Editor for Asia: Michael Richardson, 3 Canterbury Rd, Singapore 11900 Tel: (65) 477-7700 Fax: (65) 274-2334
Mag. Dir. Asia: Nigel I. Oakley, 973/1, 191 Java Road, Hong Kong, Tel: (852) 2922-1182 Fax: (852) 2922-1182
Gen. Mgr. Germany: T. Schäfer, Friedrichstr. 15, 80333 Frankfurt, Tel: +49 69 20 20 00 Fax: +49 69 20 20 00
U.S. Office: 850 Third Avenue, New York, N.Y. 10021 Tel: (212) 537-3000 Fax: (212) 537-3000
U.K. Advertising Sales: 45 London Avenue, London WC1X 8AA Tel: (71) 240-2000 Fax: (71) 240-2000
S.A. (in capital de 1.200.000 F. RCS Nanterre B 732031126 Capitalisation Partenaire No. 61337
© 1998, International Herald Tribune. All rights reserved. ISSN: 0254-3022

It Takes Partnership to Beat the Peace-Breakers

By Daoud Kuttab

JERUSALEM — A dangerous dynamic keeps reoccurring in the pursuit of Middle East peace. Militant opponents seem to use the utmost violence in the period between the beginning of the making of genuine peace and its implementation.

For more than a year during the Netanyahu administration's effective freeze on the peace process, Islamic militants were quiet. But as soon as the Wye Plantation memorandum was signed, radical Islamic Palestinians carried out two major suicide attacks in the space of 10 days.

This trend is not new. In the 1970s, radical Palestinian groups assassinated senior PLO officials in Europe who were beginning to strike up a peace dialogue with left-wing Israelis. In the '80s, Anwar Sadat was killed before implementation of the Camp David accords had been completed. And in the '90s, Yitzhak Rabin was assassinated by a Jewish fanatic before seeing the Oslo accords carried out. To a certain degree, radicals have succeeded in slowing or cooling moves to lasting peace in the region.

A key to the success of any peace

process is the absolute commitment of its parties to move ahead no matter what. As soon as fanatics see one twitch of hesitation by either party, they exploit it. When a suicide bombing took place during Mr. Rabin's administration, his response was clear. "We will mourn the dead for one week, and then, on day eight, we will be back at the negotiating table," he told his public.

The recent decision by Benjamin Netanyahu to become a partner with Yasser Arafat in the peace process was an important milestone. But that decision will be worthless if Islamic and Jewish radicals sense the slightest potential for a retraction or a slowdown. Israeli and Palestinian leaders must recognize the simple reality that they are in this peace boat together. It will sink with both, or both will reach the shores of peace and freedom together.

Such an understanding will require a different approach to issues of security. Mr. Netanyahu and his aides cannot continue to publicly chastise the Palestinian National Authority every time

a bomb blows up. Before the latest incident, Israeli officials had publicly praised the Authority for its crackdown on the militants one day before. The next day they publicly attacked the Palestinians for not doing enough.

Indiscriminate attacks against civilians make Mr. Netanyahu's job difficult. The same happens to Mr. Arafat when fanatical Jewish settlers kill Palestinians or rampage through the Hebron market. It is hard to defend a peace process when your people are being blown up.

The quest for peace requires the same courage and decisiveness as war. But when war pits people and their leaders against each other, the quest for peace requires a different set of partners. The majority of both the peoples and their leaders must be united against extremists and radical elements.

When a suicide bombing took place in the early days of the Oslo accords, Palestinians demonstrated for the first time against fellow Palestinians. Thousands in Nablus and Gaza marched under the banner "Yes to Peace, No to Violence." Such Palestinian acts have disappeared, as the public has not seen

any reason to identify with the present Israeli government.

The commitments made at Wye were important, but they must be reflected in a radically new approach. From the moment the leaders make peace between themselves, they should make clear to all that they are not turning back. When indiscriminate acts of violence take place against Palestinians or Israelis, the response must be unified, balanced and proportionate.

Mr. Arafat and Mr. Netanyahu need

to stand side by side after any anti-

peace incident and repeat to the public

their commitment to peace and security for both peoples.

Such an act will not necessarily

mean an immediate end to violence.

But if Israeli and Palestinian leaders

can withstand short-term public criti-

cism and stay on course, there is no

doubt that in the medium and long

range, peace can be at hand.

The writer, a Palestinian journalist,

is director of the Institute of Modern

Media at Al Quds University in Je-

nusalem. He contributed this comment

to The Washington Post.

Stop Demonizing Globalization, and Learn to Manage It

By Bimal Ghosh

GENEVA — Two-fifths of the world economy is in turmoil and the rest is struggling not to succumb to the contagion. Should growth in output decline to a mere 1.5 percent this year and 1.3 percent in 1999, as some recent forecasts indicate, it would be one of the worst slumps since the 1930s. If we believe more pessimistic scenarios, world output might actually decline next year for the first time in half a century.

Some have been quick to blame economic globalization as the root cause of the turmoil. Countries like Malaysia and Russia are rebuilding economic walls and restrictions, setting a trend that other developing economies may quickly follow. As developing nations start

slamming their doors, the pressure for protectionism is likely to increase in industrial countries.

The United States, which sends more than two-fifths of its exports to developing countries, will see its trade deficit increase, coinciding with a slowdown in the economy. The protectionist and anti-globalization lobby, already powerful, will then gain additional ground in Congress.

Rising protectionism will further dent the capacity of developing and transition economies to sell their products abroad, and thus create a vicious circle deepening the world crisis.

But a reversal of outward-

looking policies would mean repeating the same that the world made in the early 1930s. A return of protectionism and isolationist policies, reinforced by an upsurge of narrow nationalism, would certainly undermine the prosperity and economic progress tenaciously built in the past four decades, and do little to remedy the weaknesses of existing policies.

Globalization does not simply imply rising flows of goods, services and capital. It goes far beyond interpenetration of markets and embraces increased interchange of ideas and knowledge, and thus enrichment of people. But globalization also exacts a price.

As the world economy becomes more integrated, nations are increasingly interdependent, the malfunctioning of even a small part like Russia, which accounts for a mere 2 percent of world output, can have global repercussions.

Since the essence of globalization is interdependence, it can

not function effectively except as a system based on continuing and active cooperation between and within nations, and sustained by a set of fair and harmonized rules and disciplines.

When, in the absence of such norms, markets and economies are dominated by a few states or manipulated by a small number of domestic oligopolies, weaker nations and disadvantaged social groups become marginal.

The finance ministers of the world's most powerful industrial nations recently trumpeted the need for a global response,

and are talking about a new architecture for the world financial system. However, the measures they have so far suggested — such as coordinated interest rate cuts, enhanced IMF capacity to provide contingent loans to well-behaved emerging economies, and better supervision of creditor financial institutions — are at best useful by way of firefighting. They fall far short of a durable response to the basic challenge we face.

World leaders need to recognize that the pace of globalization has been running ahead of the development of principles, norms and institutional mechanisms needed for wise and effective management. The challenge before the world is to narrow this gap.

The leaders need a systematic vision of the basic forces that drive the globalization process.

They will have to look beyond the cozy club of the Group of Seven and the existing mandates of international financial institutions, and envision a system

of more efficient, cooperative management of capital and people.

The set of harmonized rules and principles needed for this purpose must include built-in safety nets for weaker nations and disadvantaged domestic groups, and respond to the changing realities of a globalizing but diversely diversified world.

Globalization holds great potential to enhance human welfare. Badly managed, it can create havoc and distress. Our current problems are not with globalization but with the way it is being managed.

The writer, a former director

in the United Nations development

sector, is a consultant on trade, investment and economic relations. He contributed this comment to the International Herald Tribune.

Three Asia-Pacific Challenges

By Timothy Ong

KUALA LUMPUR — The Asia-Pacific Economic Forum is very frustrating but absolutely necessary. It is frustrating because, with 21 members, three of them admitted on Saturday, it is increasingly cumbersome and rarely decisive. But it is the only viable framework for economic cooperation in the Asia-Pacific region.

Nowhere is economic, political and cultural diversity greater than in this region. Nowhere is there a greater need for a framework that permits such different societies to work together toward common economic goals.

This background, sometimes forgotten, is important as APEC leaders prepare to hold their annual summit here on Tuesday and Wednesday at a time when many in the business community and elsewhere are questioning the relevance of the organization.

The financial crisis in the region seriously challenges APEC's agenda of trade and investment liberalization, and its program of economic and technical cooperation.

By demonstrating the power of the global economy to render swift, harsh and, for some countries, arbitrary judgments on national economic performance, the crisis increases ambivalence toward globalization and political resistance toward further liberalization.

As the latest trans-Atlantic trade dispute, notionally over banana imports, makes clear, Western leaders are quite capable of making monkeys of themselves, and wrecking the global economy in the process.

— Gerald Segal, writing in *Newsweek*.

includes the major potential creditor economies in the region, among them the United States and Japan.

APEC is in a strong position to respond to the crisis. It must not let the opportunity slip. To have the means to act, yet not do so, is to risk being marginalized.

First, they should maintain the organization's commitment to liberalizing trade and investment, and to making it easier for businesses to operate. Afflicted Asia needs more, not less, foreign trade, investment and

Style

Another Luxury Label Leaps Into Action

Jose Levy Will Take Britain's Holland & Holland in a New Design Direction

By Suzy Menkes
International Herald Tribune

LONDON — Another new designer name is to be launched into luxury fashion. Holland & Holland, one-time mecca for the hunting and shooting set, will announce this week that the French designer Jose Levy is taking over as design director.

The 35-year-old Levy will not just be offering Gallic revenge for the flood tide of Anglo-Saxon designers who have taken over at Paris houses; he will also be expected to launch into high fashion a quintessentially English company that was taken over in 1990 by the Wertheimer family of Chanel fame.

Veronique Leblanc, the former global marketing and licensing director for Walt Disney Co., and now general manager of Holland & Holland, is charged with infusing this green and countrified brand with a younger, hipper spirit, which will put it in competition with other rejuvenated luxury brands like

Hermes, Loewe and Louis Vuitton. Levy, in London last week, posed in Holland & Holland's famous "gun room," its core business, and discussed the way he hopes to fuse humor and luxury with an ironic, maybe even caustic, take on "chic Britannique."

"I am very excited — I even like the way it is called the 'House of Holland & Holland,'" Levy said. "I want to do something that looks quite simple and conventional but is a bit surreal — the idea of seeing one thing and something else behind it."

Levy, best known in Paris for his trim and tailored menswear, illuminated with fresh colors, worked formerly with Cacharel and Nina Ricci menswear, but has already developed his own label in Japan and launched his first women's collection for spring-summer 1999.

Although he does not envisage a Holland & Holland line on the international runways yet, especially as there is much to do on the women's side, the collection could be presented publicly by next fall.

Holland & Holland, which was founded in 1835 as a master gunmaker, already has an international reputation for its sporting guns and rifles and for its shooting and travel programs, which include a clay-pigeon shooting school and adventure travel outings (read safaris) in Africa and South America.

By building on its heritage, the company has developed clothing, outerwear and accessories as well as luggage and small leather goods. It has two London stores, and has opened flagships in Paris, on 57th Street in New York and on Rodeo Drive in Beverly Hills. And this fall, a 350-square-foot (32.5-square-meter) corner has also been opened at Saks Fifth Avenue in Manhattan, suggesting that the brand is having a forward push.

Levy's appointment raises the intriguing question of whether the discreet Wertheimer brothers are in the process of building a luxury conglomerate in Europe, particularly in light of their closing down of Isaac Mizrahi's New York business this fall.

One of their success stories in London has been Tanner Krolle, the 140-year-old leather-goods company they took over in 1992. Its store on Bond Street, opened last year, has bucked the current retail blues.

Philip Davis, managing director of the store, said: "We have been successful at bringing in the Brits where Bond Street in general has relied on overseas customers and has been affected by the Asian downturn."

Tanner Krolle also won the 1998 British Luxury Briefing Award for Excellence, staying off names that are household words or at least trip more easily off the tongue. It has also started an international development with distribution into Bergdorf Goodman and Neiman Marcus in America.



The Frenchman Jose Levy hopes to fuse humor and luxury as he takes the reins of the quintessentially English Holland & Holland.



Going, going, gone: Half-price sale at Simpson Piccadilly, above, which will close in February; the White House will shutter its doors to concentrate on wholesaling, and Asprey & Garrard has swallowed the crown jeweler.

Downsizing for the Upscale

Stores Cope With Consumer Caution in a Chilly Retail Climate

LONDON — Is cool Britannia cooling off? The British press has been accused of talking up recession, but the signs are there for anyone to read: mostly in large red "For Sale" letters where stores are offering 50 percent discounts in what is normally a prime selling season.

The first high-profile casualty was Simpson Piccadilly, the elegant general store, opened in 1936 but now "economically and logically unsuit-

able" according to its Japanese owner Sankyo Seiko, which bought the group and its Daks label in 1991. The store will close in February 1999.

Liberty is another London store with a famous past but an uncertain future. It is riven by management disputes and posted an annual loss of £11.5 million (\$19 million) in July, despite critical acclaim for its original merchandise and its support of avant-garde designers.

At Harrods, the spokesman Andrew Wiles is talking about a "difficult" period since the annual July sale, as the store has been hit by dwindling tourism. But Selfridges on Oxford Street has had a major refurbishment, including an enlarged, state-of-the-art beauty department.

Marks & Spencer announced last month a 23 percent fall in first-half profit — its first drop in seven years. It was accompanied by the company's first warning about future profits since the group entered the stock market in 1966, with Sir Richard Greenbury, M&S chairman and CEO, saying, "It's a bloodbath out there."

Problems also apply at the luxury end, where stores are being forced to downsize and rationalize. The White House, famous for its fine linens and nanny-knows-best children's clothes, moved out of Bond Street 18 months ago. It chose the neighboring Conduit Street, where a raft of new designer stores, including The Conran Shop, Moschino, Krizia, Vivienne Westwood and Yohji Yamamoto were supposed to be creating a new shopping mecca.

But last week, Christian Delliere said that his father, John, had made the decision to close the store and concentrate on a wholesale and custom-made business in a new location in Chelsea, southwest London. Private commissions have included black embroidered sheets for a circular bed, but the projected growth is in promoting a White House brand. A trade stand at an American bed and bath show earlier this year has already resulted in 65 accounts with specialist bed linen shops.

In England, the White House has been known for tradition and a certain standard of service," says Delliere. "But we see the future of the company as a wholesale operation and with interior designers. We are the Rolls-Royce of bed linens. But why have the overheads of a shop, when we have a large customer base in America which orders by phone and fax?"

Another landmark that has disappeared is Garrard, the crown jeweler, whose Regent Street site stands deserted and abandoned. Its name and its royal warrants have been subsumed into the Asprey group, and the Bond Street store is now called Asprey & Garrard.

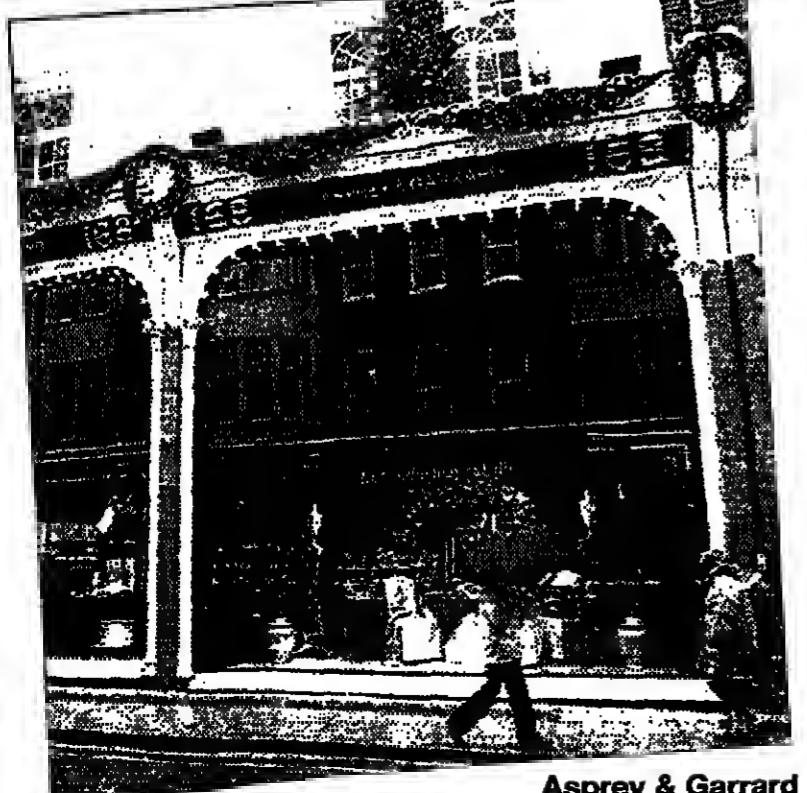
Garrard's departure is part of the fallout from the troubled business empire of Prince Jefri Bolkiah, brother of the Sultan of Brunei. It is not necessarily typical of the London jewelry market, which Rosa Monckton of Tiffany describes as still in good shape.

"I am crossing everything and touching my desk, but we are doing fantastically well," she says. "We have never relied on one or two high rollers; it's all about being accessible and aspirational too."

Monckton says that Tiffany's corporate business is also strong, although other jewelers cite recent layoffs at Merrill Lynch in London as a bellwether that is making caution the new watchword for consumers and retailers alike.



The White House



Asprey & Garrard

Suzy Menkes

FORMERLY A MILITARY SECRET, NOW AVAILABLE TO ALL



WHERE IDEAS EAT LIFE.

Italian design excellence and Swiss technological expertise movement. Case and bezel in stainless steel. Water-resistant issued by the C.O.S.C. (Contrôle Officiel Suisse strictly limited to 1,500 units. Panerai Luminor



IF YOU WANT TO LEARN THE SECRETS OF THIS HISTORIC PHONE NUMBER: +39 02 38000008 CONTACT OFFICINE NUMBER: +39 02 38000009

CROSSWORD

ACROSS

- 1 Carved on IDEA SHARI ALEX GOOD DAYS SUNSHINE ERNIE OPEN NOS READERS TREAD ADULT SETS TO ADS HEAP ZIP UP BETTER PLACE TO BE CLEAN TELL TAR DEVILS SLAPS ELIOT SWATTED OWN SPAS LORNA BEST THING FOR YOU IRON IN USE KILN TENT AT BAY SITAT

Solution to Puzzle of Nov. 16

- TALL ASPEN ABLE IDEA SHARI ALEX GOOD DAYS SUNSHINE ERNIE OPEN NOS READERS TREAD ADULT SETS TO ADS HEAP ZIP UP BETTER PLACE TO BE CLEAN TELL TAR DEVILS SLAPS ELIOT SWATTED OWN SPAS LORNA BEST THING FOR YOU IRON IN USE KILN TENT AT BAY SITAT

DOWN

- 1 Is no longer 2 "Is that —?" 3 Kid's target 4 Accredited diploma 5 Catch sight of 6 Jet speed measure 7 Capital near the 50th parallel 8 Ford debut of 1998 9 Makes the first bid 10 Gentle freight

11 Psychic energy, to Freud

- 12 Loffy lyric 13 Interlocks 21 Newstands 22 Nasal partitions 23 Tennis's Shriver 24 Census data 25 Teeny 26 Without strict oversight 28 Boston suburb 34 Overcharge, slantly 36 Railroad switches 38 Many a climactic movie scene 39 Dove's cry 40 Protector 41 Raines of 40's-50's film 45 Author — Yutang 46 German goblin 47 Slow ballet dance 48 Animal that drives rabbits from their burrows 49 Lecture hall 50 Not demand everything one wants 54 Beginning 55 True cutter 56 Actor Auberonis

© New York Times/Edited by Will Shortz

See our International Franchises every Wednesday in The International Herald Tribune

IFT Pocket Diary

IFT Pocket Diary

IFT Pocket Diary

IFT Pocket Diary

Style

TOMORROW:
STAGE

Vanity Retailing': Is Bond Street's Bubble About to Burst?

By Suzy Menkes,
International Herald Tribune

LONDON — A black-clad figure walks across the marble floor and begins the daily ritual: a measured process down the central aisle, scented candles lighted one by one, pieces of cloth folded and unfolded.

This is a religious service? Some royal custom? No, it's just the beginning of another long day in the empty temples of London's Bond Street.

Here are vainglorious monuments to designer ego — stores where a customer rarely disturbs the bored sales staff, where the ring of the till is a special event and where the only sound is a drill next door, as yet another brand readies its plate-glass window for a public opening.

"Vanity retailing" — the concept of designer megastores as self promotion — is a phenomenon of the late 1990s. And in Bond Street the bubble is about to burst.

Rumors are rife that two globally famous stores will throw in the designer logo towel. Retail analysts reel off stores openly or discreetly on the market. And in an early sign of tougher times, landlords are waiving the £1 million-plus (\$1.6 million) premium once demanded for taking over a lease.

Walking down Bond Street — or London's other luxury shopping mecca on Sloane Street — you would not sense a problem. The once quirky stores with Dickensian shop fronts have been replaced by modernist buildings with famous names over the doors: Armani, Gucci, Donna Karan, Calvin Klein, Prada, Versace, Louis Vuitton.

And more are still to come. For 18 months, Tommy Hilfiger has been creating a Bond Street design emporium that will finally open next spring. Ralph Lauren has taken half a block and in March 1999 will open a 22,000-square-foot (2,045-square-meter) four-floor store as its European retail headquarters.

The idea of vanity retailing has long been whispered about in the fashion world. This month came the proof of the phenomenon from New York, when Donna Karan announced that in the fall of 1999 she would open — at her own expense — a 10,200-square-foot store on Madison Avenue that her public company was not prepared to support. She gets "the creative freedom to explore new ideas" and her company gets a flagship without having to pick up the tab.

But, with rents in London at £500,000 a year for a decent-size store, requiring revenue of at least £2 million a year to pay 20-plus staff members and make even a small profit, who can afford these pricey shop windows?

"With the phenomenon of megastores, fashion has taken an ego trip in the luxury industry all over the world — and there is a concentration of ego trips in London," said Yves Carcelle, president of Louis Vuitton, which opened a large corner store on Bond Street last fall.

But Carcelle says that all Vuitton's new shops, from London, through the Champs Elysées in Paris, to New York's SoHo are emphatically not about vanity retailing, but rather the fruits of building a brand "step by step" over 10 or 20 years.

Gucci's president, Domenico de Sole, also denies that its megastores on Sloane Street or Milan's Via Montenapoleone are ever ego trips.

"We only open a store both to support the image of the stores and to make money — we are a public company," he says.

The British designer Nicole Farhi also says that her Bond Street store and restaurant are profitable and are "not for image — we need to sell clothes." She not only has opened a new home store round the corner, but also is planning a New York shop for next spring, a neat riposte to the American designers who have flooded into London.

Farhi's business backer, Stephen Marks, says he has nothing against American designers who want to establish a European base using a store as advertising — and that it could even be a "smart move."

Although even conspicuously empty stores are unlikely to admit to an expensive, brand-building facade, there could be method in such apparent retail madness, according to Horwitz. He says that even a public company could tolerate losing £1 million annually on a London flagship, if overall retail sales in Europe have markedly increased.

"The pinnacle builds the rest of the business," he says. Horwitz also explains that a vertical company that is both wholesaler and retailer can skim off a profit right down the line, in a way that is impossible in classic retailing.

The concept of a mighty wholesale business supporting a money-losing designer store is anathema to smaller retailers because rents are inflated and they find themselves "working only to pay the landlord."

"Shops have reached saturation point — and the big boys have got the money for stores that cannot possibly pay the rent," says Joan Burstein of Browns, which has been in business for 28 years, originally launching star designer like Giorgio Armani. Sidney Burstein, her husband and business partner, has waged a long-term campaign against ever-escalating rents from what he perceives as harsh and greedy landlords, and he is incensed at recent developments.

"The designers are using stores for advertising purposes and it's killing off the small retailers," he says. "They have tremendous egoism and they want their own shop. Browns is one of the few family businesses, and every five years we are faced with a rent review which is always up."

Robert Devork, another independent retailer, who introduced Gianni Versace to London, now has stores for Gianfranco Ferré and Christian Lacroix, and he is bemoaning the British economic slowdown.

"What is frightening is that these designers don't see it — they live on cloud nine and instead of supporting you in bad times, they want to go bigger," Devork says. "I think this is a very serious moment — they are killing the knowledgeable retailer with this global thing. The stores have lots of marble and glass, but no personality."

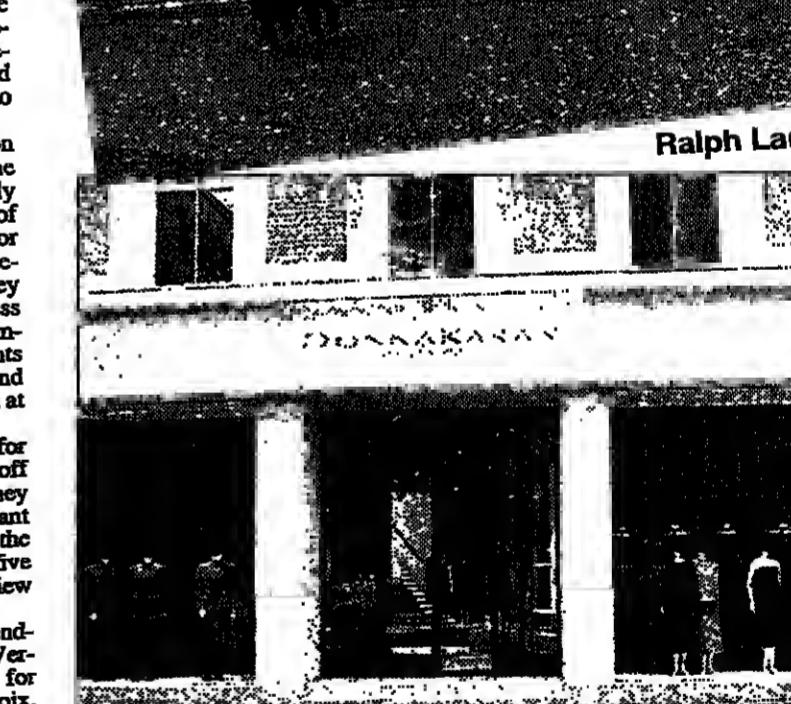
London's problems are exacerbated by the strong pound, which discourages tourists, and the Asian financial crisis. There are other general factors that apply internationally: the proliferation of designer stores beyond capital cities, lower-priced designer lines and fierce competition.

"The pin in Bond Street has stayed the same size — and there are 20 to 30 percent more participants," says a spokesman for Club 21, the retail empire of the Singapore-based Christina Ong, whose franchises include Armani and Donna Karan.

According to Bond Street gossip, Gucci has its eye on DKNY's store. De Sole says only that "we would like to improve our presence, either by improving our space or our situation." Ong's spokesman says that he was approached by Gucci, but that Karan rejected the idea. Reached in New York, John Idol, Karan's CEO, responded with a "no comment."

Rumors about designer stores where the fresh paint is barely dry suggest the volatile nature of the current retail scene. All the Bond Street retailers say that, unless a brisk holiday season follows a dead November, there will inevitably be closings in the new year. It is just a question of whose ego will be the first to get cut down to size.

Bond Street's designer temples: Vuitton's corner store; Lauren's half-block, which will open in March 1999 as European retail headquarters, and storefronts for the American designers Donna Karan and Calvin Klein.



LITERARY SECRET
ALLY AVAILABLE TO A SELECT FEW.

OFFICIPANERAI
WHERE TIME IS LIFE™

give time unrivalled form and function. Hand-wound mechanical to a depth of 300 metres (985 feet). With chronometer certificate des Chronomètres. World production for 1998 Marina - for men who appreciate the difference.

SECRETS OF THIS PIECE, CONTACT OFFICINE PANERAI - MILAN (ITALY) -
NUMBER: +39 02 38000519
TELEPHONE NUMBER: +39 02 38000519

The IHT Pocket Diary Puts 1999 Right Into Your Pocket.

Year after year — even at a period when diaries abound — the International Herald Tribune flat, silk-grain leather diary is the hit of the season.

Ingeniously designed to be thinner-than-thin, it still brings you everything... including a built-in note pad with always-available "jotting paper". Plus there are conversion tables of weights, measures and distances, a list of national holidays by country, a wine vintage chart, and many other useful facts. All in this incredibly flat book that slips easily into a pocket.

The perfect gift for almost anyone... including yourself.

Please allow three weeks for delivery.



- Measures 8 x 13 cm (5 1/4 x 3 in.)
- Black leather cover with gilt metal corners
- Week-at-a-glance format, printed on French blue paper with gilded page edges
- 1999 notable dates and national holidays in over 90 countries
- World time-zone table, international telephone dialing codes and country prefixes
- Blue ribbon page marker
- Includes removable address book that fits snugly into its own silk pocket
- Each diary packed in a blue gift box
- Corporate personalization and discounts are available

17-11-98

Please charge to my credit card:

Access Amex Diners Eurocard MasterCard Visa

Card N° _____

Exp. _____ Signature _____

Name _____

Address _____

City/Code _____

Country _____

Company/EU VAT ID N° _____

Mail or fax this order form to: International Herald Tribune Office, P.O. Box 35, Ripon, North Yorkshire HG4 4YG, U.K.

Fax: +44 (0) 1763 688 242. E-mail: pmbalter@btconnect.com

Please send me 1999 IHT Pocket Diaries

Price includes initials, packing and postage in Europe:
1-4 diaries UK £22.50 (U.S.\$37) each
5-9 diaries UK £21.00 (U.S.\$34) each
10-19 diaries UK £18.45 (U.S.\$30) each

Additional postage outside Europe £4.50 (U.S.\$7):
 Check here for delivery by recorded or certified mail:
£5.75 (U.S.\$9.20) per package plus postage.

Payment is by credit card only. All major cards accepted.

Herald Tribune
THE WORLD'S DAILY NEWSPAPER

Calvin Klein

Christopher Moore

THE WORLD'S MOST EXTENSIVE NEWS-GATHERING NETWORK

The International Herald Tribune is owned by The New York Times and The Washington Post, America's two most prestigious newspapers.

In addition to having instant access to their coverage, we have assembled a staff of selected journalists all over the world to bring you a view that is distinctly multinational.

And with the availability of every newswire service, it all adds up to the world's most extensive news-gathering network.

No other publication can match our resources.

So if you're interested in commerce, in finance, in industry, in politics, or if you need to know what the world's strongest economy thinks about events in the rest of the world, make sure you get your copy of the International Herald Tribune. Every day.

To subscribe, call us at:

Europe / Middle East/Africa : +33 1 41 43 93 61
Asia : +852 29 22 11 71
The Americas : +800 882 2884

Herald INTERNATIONAL **Tribune**
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST
THE WORLD'S DAILY NEWSPAPER

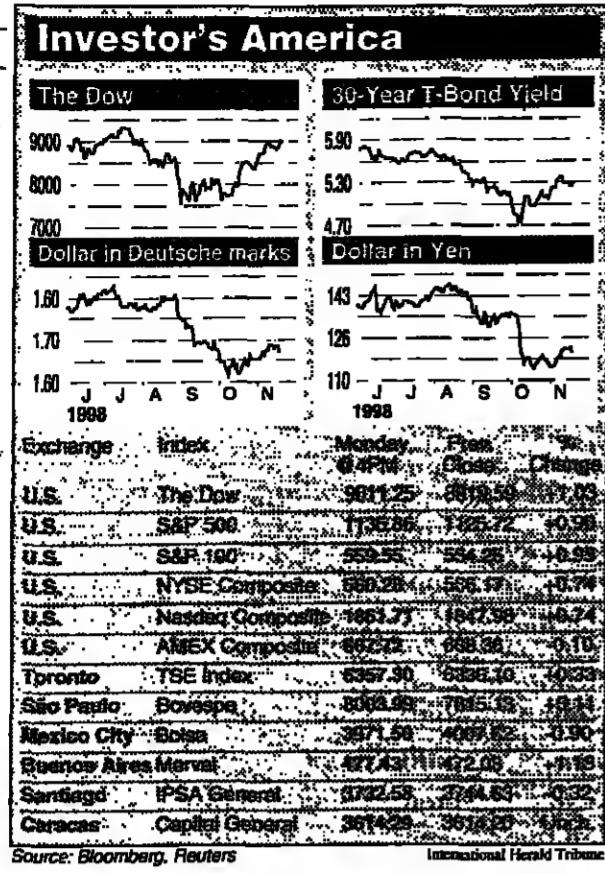
Journaling
the best of Stat

papers Fro

ny Ahead Co
Count on

CURRENC

THE AMERICAS



Dow Tops 9,000 on Rate-Cut Expectations

Compiled by Our Staff From Dispatches

NEW YORK—Blue-chip stocks topped the 9,000-point mark for the first time since July on optimism that the Federal Reserve Board will cut interest rates when its policymakers meet Tuesday.

The Dow Jones industrial average closed 91.66 points higher at 9,011.25. The Dow last traded above 9,000 on July 30, when it had already begun a steep slide from its record close of 9,377.97 reached July 17. The blue-chip average has now climbed 22 percent from the 1998 low of 7,400.30 it reached Sept. 1.

"The market is telling you that Alan Greenspan is going to cut interest rates tomorrow," Ted Bridges, a money manager at Bridges Investment Counsel Inc., said of the chairman of the Federal Reserve Board. A reading of 10,000 on the Dow by

year-end is "not outside the realm of possibility," he said.

The Standard & Poor's 500 index finished 10.14 points higher at 1,135.86, and the Nasdaq composite index closed up 13.72 points at 1,861.71. Gaining issues outnumbered losing ones by an 8-to-7 ratio on the New York Stock Exchange.

But some analysts said there was still a chance the central bank might hold off on lowering rates after already delivering two rate cuts in the past two months. Those cuts were pivotal in spurring Wall Street's dramatic turnaround.

"I don't think they can justify cutting rates right now," given signs of strength in the U.S. economy and the improvement in financial mar-

kets during the past month, said David Jallits, a fund manager at Strategic Fixed Income.

That sentiment helped send Treasury bond prices lower. The price of the benchmark 30-year issue closed 23/32 point lower at 91 10/32, sending the yield up to 5.29 percent from 5.25 percent Friday.

Arthur Hogan, senior sales trader and chief market analyst at Jefferies & Co., warned that if the central bank did not deliver, "the market will cave."

While many analysts still think the Fed will cut rates, "the call for tomorrow is a lot closer than it was a few weeks back," said Jerry Zukowski, an economist at PaineWebber Inc.

Some technology stocks fell as investors took profits after a strong run-up in recent days. Theglobe.com fell 1434 to 4834 after rising sharply

from an initial public offering price of 9. The company provides pages on the World Wide Web.

Avtel Communications fell 20/32 to 10/4. The Internet service provider backed away from claims that it planned to offer high-speed Internet access nationwide. The company's shares surged from 24 to 31 on Thursday amid reports it planned a U.S. expansion of its DSLink high-speed service.

Hewlett-Packard rose 21/2 to 674.

After the market closed, the maker of computers and printers said it earned \$710 million in its fourth quarter, down from \$806 million a year earlier. But sales rose to \$12.23 billion from \$11.79 billion. The company said that although its business in Europe was improving, "the environment in Asia remains weak."

(Bloomberg, AP, APX)

Comdex Show Opens With a Challenge by Gates

By Mitchell Martin
International Herald Tribune

LAS VEGAS—With several key makers of computer hardware having decided against displaying their products at the annual Comdex trade show, database programs became an unusual focus of attention as an expected crowd of 220,000 converged on this desert resort city.

Far from the Washington courtroom battles over antitrust matters, Microsoft Corp.'s chairman, Bill Gates, implicitly challenged his corporate rivals Sunday night, with a multimedia presentation that showed the expanding capabilities of personal computers based on the various Windows operating systems. On Monday, Microsoft launched a new version of its SQL Server, database software meant for large corporations.

Microsoft's tactics are at odds with the idea — backed by International Business Machines Corp., Oracle Corp., Sun Microsystems and others — that much of data-processing will shift from desktop models to powerful centralized computers called servers, which are linked by the Internet and other networks. In such an environment, the Windows operating systems would have reduced influence on the overall computing market, where Microsoft's current power reflects in large part its dominance of the desktop.

"The combination of all these factors," said Richard Grant, developer of SoHoTalk Inc., "has led to a departure point for a whole new generation of product innovation."

His company, based in Key Biscayne, Florida, on Monday released its new Say...Do Assistant, a speech-recognition software program, at

that the PC model "is really the one on the desktop."

But Oracle's chairman, Lawrence Ellison, announced a strategy that would minimize the importance of operating systems for its database programs that run on servers. The New York Times reported. It includes the introduction of the Oracle Data Base Server Appliance, a refrigerator-sized computer that could store all of a company's data, including documents, e-mail messages and accounting information.

This, he told The Times, would be simpler to manage than servers. Databases allow users to search stored information in a variety of ways.

Mr. Ellison also was preparing to introduce databases that only require the central kernel of an operating system, the part that is always present in memory. This is a shift in Mr. Ellison's strategy for network computers, models with few features that were mainly designed to access networks, including the Internet.

Since Mr. Ellison introduced the idea in 1995, personal-computer prices have fallen below \$1,000, reducing the attraction of units without disk drives and other peripherals. But its new strategy, starting on his home turf of database software, could open the door for many kinds of appliances to run on networks without needing a

full-scale operating system. Oracle dominates the market for relational databases, followed by IBM, according to International Data Corp.

Mr. Ellison told The Times that Oracle's databases that use just small bits of an operating system would be more stable than SQL Server 7, which will run on Windows 2000, the new name for the Windows NT high-end operating systems.

Offerings from Oracle and IBM can run on various operating systems, including Unix, which is popular with large-scale users. Oracle last week introduced an update to its flagship database product, called Oracle 8i.

Dollar Falls As Tensions Ease on Iraq

Bridge News

NEW YORK — The dollar fell against other major currencies Monday as tensions surrounding Iraq eased and the Japanese government announced its largest fiscal stimulus package in history.

Dealers said the 11-hour diplomatic accord averting a U.S. attack on Iraqi military targets had caused some investors to withdraw funds that had

been parked in U.S. dollar investments until the crisis blew over.

The dollar posted its biggest losses against the yen after Japan announced a \$4 billion (¥395 billion) stimulus package, including 6 trillion yen in tax cuts. Dealers said market optimism had been buoyed by talk that Japan might cut its sales tax, a move that would immediately bolster consumer demand.

Dealers said investors were also nervous before a meeting Tuesday of the Federal Reserve Board's policy-making Open Market Committee.

The dollar fell 120.310 yen in 4 P.M. trading from 122.805 yen Friday, to 1,683.0 DM, to 5,593 French francs from 5,649 francs and to 1,374 Swiss francs from 1,387 francs. The pound rose to \$1,676.8 from \$1,664.0.

FOREIGN EXCHANGE

been parked in U.S. dollar investments until the crisis blew over.

The dollar posted its biggest losses against the yen after Japan announced a \$4 billion (¥395 billion) stimulus package, including 6 trillion yen in tax cuts. Dealers said market optimism had been buoyed by talk that Japan might cut its sales tax, a move that would immediately bolster consumer demand.

Dealers said investors were also nervous before a meeting Tuesday of the Federal Reserve Board's policy-making Open Market Committee.

The dollar fell 120.310 yen in 4 P.M. trading from 122.805 yen Friday, to 1,683.0 DM, to 5,593 French francs from 5,649 francs and to 1,374 Swiss francs from 1,387 francs. The pound rose to \$1,676.8 from \$1,664.0.

Very briefly:

• Vulcan Materials Co. agreed to buy CalMat Co. for \$890 million in cash and assumed debt, broadening the reach of the largest U.S. producer of road-construction materials and increasing its national market share to 9.5 percent from about 7 percent.

• Seagram Co. said Frank Biondi Jr. had resigned as chairman and chief executive of Universal Studios Inc., the company's entertainment unit, as part of a reorganization resulting from Seagram's pending acquisition of PolyGram NV.

• General Motors Corp. aims to raise as much as \$1.5 billion by selling to the public 15 percent of its Delphi Automotive Systems parts unit, which wants greater freedom to solicit outside business, according to a filing with the Securities and Exchange Commission.

• Bristol-Myers Squibb Co. expects to take a fourth-quarter charge of \$400 million to \$500 million, most of which will be reserved to cover the expense of breast-implant litigation.

• Canada's economy probably will grow less than 3 percent next year as confidence in the economy weakens and consumers curtail spending, the Bank of Canada said in a semi-annual monetary-policy report.

Bloomberg, Reuters

Weekend Box Office

The Associated Press

LOS ANGELES — "The Waterboy" dominated the U.S. box office over the weekend, with a gross of \$25.2 million.

Following are the Top 10 moneymakers, based on Saturday's ticket sales and estimated sales for Sunday.

1. The Waterboy 2. I Know What You Did... 3. The Siege 4. Antz 5. Pleasantville 6. Home for Christmas 7. The Wizard of Oz 8. Living Owl Land 9. Rush Hour 10. Star Trek: First Contact

Touchstone Pictures Columbia Pictures Twentieth Century Fox DreamWorks New Line Cinema Warner Bros. New Line Cinema

25.2 million 5.6 million 3.3 million \$4.2 million \$4.1 million \$3.7 million \$2.3 million \$2.7 million \$2 million

Source: The International Herald Tribune World Trade Index tracks the U.S. dollar value of 31 280 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Trade Index tracks the U.S. dollar value of 31 280 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Trade Index tracks the U.S. dollar value of 31 280 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Trade Index tracks the U.S. dollar value of 31 280 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Trade Index tracks the U.S. dollar value of 31 280 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Trade Index tracks the U.S. dollar value of 31 280 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Trade Index tracks the U.S. dollar value of 31 280 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Trade Index tracks the U.S. dollar value of 31 280 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Trade Index tracks the U.S. dollar value of 31 280 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Trade Index tracks the U.S. dollar value of 31 280 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Trade Index tracks the U.S. dollar value of 31 280 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Trade Index tracks the U.S. dollar value of 31 280 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Trade Index tracks the U.S. dollar value of 31 280 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Trade Index tracks the U.S. dollar value of 31 280 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Trade Index tracks the U.S. dollar value of 31 280 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Trade Index tracks the U.S. dollar value of 31 280 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Trade Index tracks the U.S. dollar value of 31 280 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Trade Index tracks the U.S. dollar value of 31 280 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Trade Index tracks the U.S. dollar value of 31 280 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Trade Index tracks the U.S. dollar value of 31 280 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Trade Index tracks the U.S. dollar value of 31 280 internationally investable stocks from 25 countries.

Compiled by Bloomberg News

The International Herald Tribune World Trade Index tracks the U.S. dollar value of 31 280 internationally investable stocks from

German Aide Rebuffs Call For Cuts in Interest Rates

By John Schmid

International Herald Tribune

FRANKFURT — As top French and German financial officials tried to cool conflicts on interest-rate policy Monday, an economic adviser to Chancellor Gerhard Schroeder widened a split in the new German government over economic policy.

Klaus Gretschmann, whose appointment as Mr. Schroeder's deputy at international and economic summit meetings was announced Monday, wasted no time in distancing himself from the economic views of Finance Minister Oskar Lafontaine.

Mr. Gretschmann called Mr. Lafontaine's plan for exchange-rate target zones "unrealistic" and rejected his recent calls for a German interest-rate cut.

After meeting with French and German central bankers Monday, Mr. Lafontaine cooled his public feud with the Bundesbank by



Finance Minister Oskar Lafontaine of Germany, second from left, gesturing Monday at a news conference also attended by his French counterpart, Dominique Strauss-Kahn, third from left, Hans Tietmeyer, head of the Bundesbank, left, and his French counterpart, Jean-Claude Trichet, right.

softening demands for political influence over the central bank's two main economic levers: interest rates and exchange rates.

Mr. Lafontaine struck an uncharacteristically cooperative tone with the German central bank, denying any "fight between the federal reserve and the federal government," after their confrontation prompted fears that Bonn's political interference with the new European Central

Bank would damage the credibility of the European Union's new common currency, the euro.

In the view of some commentators, Mr. Schroeder, who presents himself as a pro-business centrist, a stronger voice in his government's economic policy, which until now was dominated by Mr. Lafontaine, a traditional socialist. As the chairman of the Social Democratic Party, Mr. La-

fontaine has been called Mr. Schroeder's "shadow chancellor."

Mr. Gretschmann's comments suggest that the chancellor and Finance Ministry could end up with economic advisers that have clashing views.

By breaking a 20-year tradition and putting his deputy directly in his own chancellery, Mr. Schroeder has set a "clear counterweight" to Heiner Flassbeck, the top economic adviser to Mr. Lafontaine, the newspaper *Die Zeit* reported. Mr. Flassbeck supports interest-rate cuts and higher wages to stimulate the economy. Mr. Lafontaine on Monday backed away from his confrontation with the Bundesbank at a Franco-German economic summit that included Hans Tietmeyer, president of the Bundesbank, Finance Minister Dominique Strauss-Kahn of France and the governor of the Bank of France, Jean-Claude Trichet.

"That discussion in Germany has been falsely interpreted," Mr. Lafontaine said. "The demands for interest-rate cuts were not aimed at specific national central banks."

On other points, he said "there is no reason" to question the terms of Europe's stability pact, which requires nations adopting the European Union's common currency, the euro, to limit deficits. A week earlier, Mr. Flassbeck said a "temporary loosening" of the deficit constraint might be necessary if the Bundesbank did not lower interest rates.

Mr. Lafontaine also acknowledged for the first time that central banks had the power to use interest rates to discipline free-spending politicians.

(Reuters, Bloomberg)

Russian Banks Pin Hopes on Debt Talks

MOSCOW — Russian banks are fighting for survival as they try to persuade foreign creditors to reschedule more than \$12 billion in debt payments after the government's three-month moratorium on repayment of private obligations expired Monday.

"It's clear that a number of Russian banks without support won't be able to continue," said David Riley, director of sovereign ratings at Fitch IBCA in London.

"Some of the second-tier smaller banks might be more able to survive than some of the more well-known Moscow-based banks, because of less exposure to the dollar forwards and other obligations to Western banks," he said.

Russia's largest private banks, which borrowed abroad last year and sold currency forward contracts to foreign investors when Russian

stock and bond markets were among the world's best-performing, will be the most exposed by the end of the moratorium.

Russia's fourth-biggest bank by assets, Unicredit Bank, has said it has already started talks with creditors.

"We will work to restructure some of our foreign debts," said Vladimir Gudulin, head of financial operations in the Treasury department of Unicredit. "We created a committee with outside legal and financial consultants to help us in talks with creditors."

Unicredit owes some \$1.44 billion just on currency forward contracts, which are agreements to deliver dollars at a fixed exchange rate.

Ministry of Finance officials are expected to arrive Tuesday in London for talks with representatives of foreign bondholders. The government said it expected to reach agreement this week on a new rescheduling arrangement.

The same fate through negotiations with creditors, analysts said.

Their position is made worse by the more than 60 percent decline in the value of the ruble since mid-August, making it more expensive to service foreign-currency debts. The dollar rose to 16.41 rubles Monday from 15.93 rubles Friday.

The government no longer is taking responsibility for the \$6 billion that Russian banks owe to foreign banks on the forward contracts. The contracts were dropped from the government's negotiations with its own creditors on 281 billion rubles (\$17.64 billion) of defaulted government bonds.

Other banks are trying to avoid

the same fate through negotiations with creditors, analysts said.

Their position is made worse by the more than 60 percent decline in the value of the ruble since mid-August, making it more expensive to service foreign-currency debts. The dollar rose to 16.41 rubles Monday from 15.93 rubles Friday.

Instead, C&W is developing a long-distance "supernetwork" among more than 40 major European cities. That network would be connected with its undersea cables and its networks in the United States, Hong Kong and Australia.

C&W Details Network Plan For Europe

Compiled by Our Staff From Dispatches

LONDON — Cable & Wireless PLC, the second-biggest British telecommunications company, said Monday it would spend \$1 billion over five years to build a high-speed European telecommunications network for multinational companies.

The company, which announced last week that it planned to attack Europe on its own after its alliance with Telecom Italia SpA fizzled, said its new "supernetwork" would link more than 40 European cities in 13 countries and create more than 1,000 jobs. C&W dropped its link with Telecom Italia because of management turmoil at the Italian company.

Plans for a European network follow C&W's purchase this summer of MCI Communications Corp.'s Internet business. That purchase made C&W the second-biggest carrier of Internet traffic in the United States.

C&W said it planned to become a leading "backbone" Internet provider between Europe and the United States.

The company hopes to double its annual European revenue — currently about £100 million (£166.6 million) — every year for the next five years.

The investment, which would be in addition to \$5 billion of spending planned for Britain over the next three years, is to be paid from existing resources.

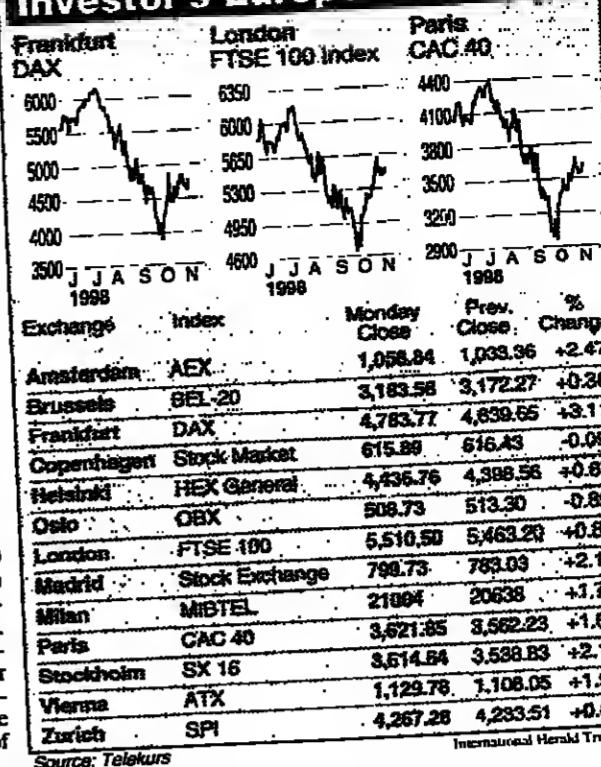
The expansion includes buying high-speed links from Hermes Europe Railtel BV, a unit of Global Telesystems Group Inc., and paying more than \$100 million to Global Crossing Ltd. for fiber-optic cables connecting 18 European cities.

C&W's plan differs from those of competitors — such as Colt Telecom Group PLC and MCI WorldCom Inc. — who began their efforts to win business customers by building local high-speed networks in major cities and then adding long-distance links.

Instead, C&W is developing a long-distance "supernetwork" among more than 40 major European cities. That network would be connected with its undersea cables and its networks in the United States, Hong Kong and Australia.

(Reuters, Bloomberg)

Investor's Europe



Source: Telekurs International Herald Tribune

Very briefly:

• British Steel PLC said weak sales and prices could push it into a loss for the full year as worsening markets and the strong pound triggered a slump in first-half profit to £108 million (\$179.9 million) from £143 million last year.

• Kvaerner AS had a nine-month pretax loss of 1.15 billion Norwegian kroner (\$153.3 million), reversing a profit of 903 million kroner a year earlier, as the shipbuilder wrote down the value of assets and took charges for project losses.

• Ford Motor Co. plans to cut 2,800 jobs, a quarter of the total, at its Genk, Belgium, car and truck assembly plant, to try to improve its productivity in Europe. In exchange for the cuts, the U.S. carmaker will pledge new investment for the plant.

• Springer-Verlag AG, a German scientific publisher, said Bertelsmann AG was the top candidate to take it over and that its shareholders would decide on a buyer in about a week.

• Daimler-Chrysler AG shares soared as investors rushed to buy stock to reflect the company's increased weighting in Germany's benchmark index and as concern eased that global car sales were easing. Daimler-Chrysler's stock on a when-issued basis rose 8 percent to 140.90 Deutsche marks (\$83.47).

• Aerospatiale of France, British Aerospace PLC, Construcciones Aeronauticas SA of Spain, Finmeccanica-Alenia SpA of Italy and Saab AB of Sweden told their governments that a unified European aerospace and defense group was the "right target structure" to consolidate the sector.

• Telecom Italia SpA's shares rose 3 percent to 12,205 lire (\$7.67), but Ente Nazionale Idrocarburi SpA fell 2 percent to 9,824 in reaction to news that ENI's chief executive officer, Franco Bernabe, would become head of Italy's former telephone monopoly.

Bloomberg, Reuters

WORLD STOCK MARKETS

Monday, Nov. 16.

Daily prices in local currencies.

Totals in millions.

High Low Close Prev.

Amsterdam AMX 1,083.84

Prev. 1,083.26

Frankfurt DAX 3,678.77

Prev. 3,678.45

Johannesburg All Market 5,573.42

Prev. 5,573.44

Montreal Industrie index 2,211.29

Prev. 2,211.29

Oslo Oslo 2,211.42

Prev. 2,211.42

Paris CAC 40 3,172.27

Prev. 3,172.30

Kuala Lumpur Composite index 2,245.45

Prev. 2,245.45

Athens Alpha 1,079.00

Prev. 1,079.00

Bangkok SET 4,076.00

Prev. 4,076.00

Helsinki Helsingin pörssi 1,079.00

Prev. 1,079.00

Bogota BME 1,078.00

Prev. 1,078.00

Bombay SENSEX 3,112.12

Prev. 3,112.12

Brussels BEL 20 1,078.00

Prev. 1,078.00

Istanbul Borsa 1,078.00

Prev. 1,078.00

Taipei Taiwan 1,078.00

Prev. 1,078.00

Buenos Aires Merval index 1,078.00

Prev. 1,078.00

London FTSE 100 3,112.12

Prev. 3,112.12

Manila PSE 1,078.00

Prev. 1,078.00

Milan MAB 1,078.00

Prev. 1,078.00

Singapore STI 1,078.00

Prev. 1,078.00

São Paulo Bovespa 1,078.00

Prev. 1,078.00

Tokyo Nikkei 1,078.00

Prev. 1,078.00

Vienna ATX 1,078.00

Prev. 1,078.00

Wellington NZX 1,078.00

Prev. 1,078.00

Zurich SMI 1,078.00

Prev. 1,078.00

High Low Close Prev.

Amsterdam AMX 1,083.84

Prev. 1,083.26

Frankfurt DAX 3,678.77

Prev. 3,678.45

Johannesburg All Market 5,573.42

Prev. 5,573.44

Montreal Industrie index 2,211.29

Prev. 2,211.29

Oslo Oslo 2,211.42

Prev. 2,211.42

Paris CAC 40 3,172.27

Prev. 3,172.30

Kuala Lumpur Composite index 2,245.45

Prev. 2,245.45

Athens Alpha 1,079.00

Prev. 1,079.00

Bangkok SET 4,076.00

Prev. 4,076.00

Helsinki Helsingin pörssi 1,079.00

Prev. 1,079.

www.cnbc.com

NOT WATCHING CNBC? POOR YOU.

CNBC is Europe's first truly global business news channel. We're on air 24 hours a day, bringing you the news on what's happening in the world of business the very minute it happens, (we were the first television channel to break the story about the BP-Amoco merger), while our "Ticker" shows any changes in the key indicators of the world's markets. We don't just report on the news itself. We discuss the causes behind it and we give in-depth analysis on the effects.

We conduct live interviews with the most influential people in world business today: Mark Moody-Stuart of Royal Dutch/Shell Group, Andy Grove of Intel and Juergen Schrempp

of Daimler-Benz A.G. to name but a few. CNBC is a service of NBC and Dow Jones, which gives us access to the unrivalled expertise and authority of the best business journalists and reporters in the world. CNBC reaches more than 175 million offices, hotels and households world-wide. That's a lot of people with the edge on what's happening in the world of business. Shouldn't you be one of them?



Available on Cable, Satellite and now Digital
First in Business Television Worldwide

Ricardo 690 09-42 Plaza Paseo 133-28 Schroders 1002-415-2100 354-8 Zeneca 2102-24 Paris CAC 40 3269.9-40.7 AXA-UAP 520.00
Santander 690 09-42 Plaza Paseo 133-28 Schroders 1002-415-2100 354-8 Zeneca 2102-24 Paris CAC 40 3269.9-40.7 AXA-UAP 520.00
Santander 690 09-42 Plaza Paseo 133-28 Schroders 1002-415-2100 354-8 Zeneca 2102-24 Paris CAC 40 3269.9-40.7 AXA-UAP 520.00
Santander 690 09-42 Plaza Paseo 133-28 Schroders 1002-415-2100 354-8 Zeneca 2102-24 Paris CAC 40 3269.9-40.7 AXA-UAP 520.00
Santander 690 09-42 Plaza Paseo 133-28 Schroders 1002-415-2100 354-8 Zeneca 2102-24 Paris CAC 40 3269.9-40.7 AXA-UAP 520.00

Japan Stimulus Plans: 'A Kind of Treadmill' Thai Oil Halts Debt Payment For 6 Months

By Sheryl WuDunn

New York Times Service

TOKYO — It may have been the largest economic-stimulus program ever announced here, but investors have been disappointed in Japan so many times that they are hard to impress.

Stocks rose moderately Monday with the announcement of the \$195 billion plan, but many critics yawned and shrugged that the package was misguided and short-sighted.

Some said the answer to Japan's problems lay not in throwing money at them but in undertaking structural changes to create more of a market economy. Others say that money might indeed solve the problems but that the economy is sinking into such a big hole that it takes a massive stimulus just to get back to the start-

ing point. One problem is that the government's credibility is as fragile as the economy is. Officials have promised recovery so many times that no one knows whether to believe them this time, and in any case the government finds itself having to outdo its previous record stimulus.

NEWS ANALYSIS In its demonstration that Japan is going to buoy growth.

"It's a kind of treadmill," said Peter Morgan, economist at HSBC Securities Japan Ltd. "They keep moving the goal posts. They get locked into these large packages to just stay neutral."

Prime Minister Keizo Obuchi's announcement included a giant package of tax-cuts, spending and lending. It is an ambitious grab bag of measures that includes \$10 billion to

promote housing investment, \$8 billion to create 1 million jobs, \$8 billion to assist crisis-hit Asian nations and \$48 billion in financing to alleviate a nationwide credit squeeze.

Stock prices reacted to the plan with continued enthusiasm, with the benchmark Nikkei Stock Average up 225 shares ending at 14,428.27, up 160.06 points, or 1.12 percent.

The underlying problem for Japan has been that corporate profits, consumption and corporate spending are all sliding. With unemployment rising and threatening to jump even more, an economic package valued at 24 trillion yen (\$195 billion) may not appear so large by comparison.

Mr. Obuchi said Monday that he would do his best to bring Japan out of recession in its next fiscal year. Japan has begun implementing an earlier stimulus package, but many

economists are still predicting an economic contraction of about 2 percent for the year ending March 31, 1999. Notwithstanding the latest plan, which will be carried out in the next fiscal year, a number of economists are also expecting a small contraction in that year as well.

Economists and business executives also have a few other specific concerns with the plan. Some had hoped for a rollback in the 5 percent consumption tax, but Taichi Sakaiya, head of the Economic Planning Agency, ruled that out for now.

Others had hoped that long-term tax cuts of more than 6 trillion yen would be put into effect immediately, but the government does not plan to enact a bill until next year, and the actual tax cuts may not be implemented until taxpayers submit their tax returns for 1999.

Compiled by Our Staff From Dispatches

BANGKOK — Thai Oil Co., the biggest refiner in Thailand, said Monday it had halted payments on \$1.9 billion of debt for "at least six months," joining a long list of Asian companies to concede it could not service its obligations amid slowing economies.

"My company doesn't have any cash left," said Chulchit Bunyakietu, the company's managing director.

Thai Oil, like hundreds of companies throughout Asia, has been crippled by tumbling currencies and deepening recessions.

The freeze means the refiner will default on a coupon payment of more than \$5 million on a floating-rate note due Monday. Thai Oil is seeking more time to obtain easier terms from its creditors.

The company said 140 local and overseas creditors had agreed in principle to convert \$350 million in debt into a 30 percent stake in the company. The company's outstanding debt totals \$3 billion, of which \$1 billion is owed by its cement unit, TPI Polene.

Prachai Leophairatana, Thai Oil's chief executive, said the company was calling for a Dec. 2 meeting with creditors to seek final approval and discuss details.

The U.S. credit-rating agency said the lingering recession in Asia threatened to derail the automakers' financial recovery plans. Moody's currently rates the debt of both companies at Ba3, just one notch above junk bond status.

Nissan and Mitsubishi, which rely on Japan and the rest of Asia for the bulk of their sales, forecast group net losses in the year through March, for the second straight year. That will make it more difficult for them to write off trillions of yen in debt.

"The effects of Japan's worsening economy and weakening financial system on the two companies will increase business uncertainty," Moody's said.

A junk rating — the Moody's term is "speculative" — indicates that a company may have difficulty paying its debts.

The companies declined to comment on Moody's report.

Mitsubishi shares closed at 301 yen (\$2.46), up 23, while Nissan's shares were unchanged at 333.

(AFP, Bloomberg)

Investor's Asia



Source: Telekurs International Herald Tribune

Very briefly:

- South Korea and the International Monetary Fund agreed that the country's sputtering economy would return to growth next year amid an easing monetary policy and said the government had made "significant progress" in advancing economic restructuring. But Seoul and the IMF warned that while growth would resume in 1999, "the timing and strength of the recovery will depend critically on improvements in domestic confidence and the external environment."

- Japan's current-account surplus surged 70 percent in September from a year earlier, to 1.93 trillion yen (\$15.76 billion). It was the 18th consecutive monthly increase. In the six months to September, the surplus, which measures the flow of goods and services as well as investment income and other monetary transfers, rose 45 percent, to 8.30 trillion yen.

- Japanese corporate bankruptcies rose 5 percent in October, to 1,685, their 22d consecutive monthly increase, as banks reduced lending and manufacturers suffered from falling domestic demand, according to Tokyo Shoko Research. Liabilities totaled 749 billion yen, a rise of 53.8 percent from a year earlier.

- Standard Chartered PLC, a British Bank that does most of its business in Asia, agreed to sell CGU PLC's general insurance products in Hong Kong and Singapore and is negotiating for a similar deal on life insurance. AFP, Bloomberg

Hong Kong Joblessness Widens to a Record 5.3%

Bridge News

HONG KONG — Hoog Koog's unemployment rose to a record 5.3 percent in the August-October period, as businesses continued to dismiss workers to adjust to a slowing economy.

The August-October joblessness was up from 5.0 percent in the July-September period.

"Faced with the economic downturn and an uncertain business outlook, many employers were downsizing their work force or negotiating

lower wages with their employees," said a Hoog Koog government economist, Elley Mao.

Economists said that the construction industry was the among the hardest-hit sectors.

The government plans an infrastructure and public-works program that is expected to create 11,500 jobs over three years at a cost of about 15 billion Hong Kong dollars (\$1.9 billion). But some private economists say that is unlikely to prevent a further rise in the jobless rate in the short term.

Suppose you met a banker who took the time to talk with you? "

In this fast-changing world, Geneva's Private Bankers still believe that the prime task of a bank is to serve its clients... effectively. And face to face. Technological progress, in our view, is above all a means of gaining time - time we can devote to our clients. For we define progress as being ever closer, ever more responsive to those who place their trust in us, wherever they may be. Which, indeed, is why we are bankers - Private Bankers.



GENEVA'S PRIVATE BANKERS

LIBERTY · INDEPENDENCE · RESPONSIBILITY

IN GENEVA:

BORDIER & Cie
(1844)DARIER HENTSH & Cie
(1796)LOMBARD ODIER & Cie
(1798)MIRABAUD & Cie
(1819) · PICTET & Cie
(1805)

NYSE

Monday's 4 P.M. Close
The 2,000 most traded stocks of the day.
Not available prices not reflecting late trades elsewhere.
The Associated Press.

12 Month
High Low Stock Div Yld PE 100% High Low/Lated Chgs

A-E-C									
12 Month High Low Stock	Div Yld	PE	100% High	Low/Lated Chgs					
ABX 1.00		10.00	10.00	-1.00					
ABX-A 1.00		10.00	10.00	-1.00					
ABX-B 1.00		10.00	10.00	-1.00					
ABX-C 1.00		10.00	10.00	-1.00					
ABX-D 1.00		10.00	10.00	-1.00					
ABX-E 1.00		10.00	10.00	-1.00					
ABX-F 1.00		10.00	10.00	-1.00					
ABX-G 1.00		10.00	10.00	-1.00					
ABX-H 1.00		10.00	10.00	-1.00					
ABX-I 1.00		10.00	10.00	-1.00					
ABX-J 1.00		10.00	10.00	-1.00					
ABX-K 1.00		10.00	10.00	-1.00					
ABX-L 1.00		10.00	10.00	-1.00					
ABX-M 1.00		10.00	10.00	-1.00					
ABX-N 1.00		10.00	10.00	-1.00					
ABX-O 1.00		10.00	10.00	-1.00					
ABX-P 1.00		10.00	10.00	-1.00					
ABX-Q 1.00		10.00	10.00	-1.00					
ABX-R 1.00		10.00	10.00	-1.00					
ABX-S 1.00		10.00	10.00	-1.00					
ABX-T 1.00		10.00	10.00	-1.00					
ABX-U 1.00		10.00	10.00	-1.00					
ABX-V 1.00		10.00	10.00	-1.00					
ABX-W 1.00		10.00	10.00	-1.00					
ABX-X 1.00		10.00	10.00	-1.00					
ABX-Y 1.00		10.00	10.00	-1.00					
ABX-Z 1.00		10.00	10.00	-1.00					
ABX-1 1.00		10.00	10.00	-1.00					
ABX-2 1.00		10.00	10.00	-1.00					
ABX-3 1.00		10.00	10.00	-1.00					
ABX-4 1.00		10.00	10.00	-1.00					
ABX-5 1.00		10.00	10.00	-1.00					
ABX-6 1.00		10.00	10.00	-1.00					
ABX-7 1.00		10.00	10.00	-1.00					
ABX-8 1.00		10.00	10.00	-1.00					
ABX-9 1.00		10.00	10.00	-1.00					
ABX-10 1.00		10.00	10.00	-1.00					
ABX-11 1.00		10.00	10.00	-1.00					
ABX-12 1.00		10.00	10.00	-1.00					
ABX-13 1.00		10.00	10.00	-1.00					
ABX-14 1.00		10.00	10.00	-1.00					
ABX-15 1.00		10.00	10.00	-1.00					
ABX-16 1.00		10.00	10.00	-1.00					
ABX-17 1.00		10.00	10.00	-1.00					
ABX-18 1.00		10.00	10.00	-1.00					
ABX-19 1.00		10.00	10.00	-1.00					
ABX-20 1.00		10.00	10.00	-1.00					
ABX-21 1.00		10.00	10.00	-1.00					
ABX-22 1.00		10.00	10.00	-1.00					
ABX-23 1.00		10.00	10.00	-1.00					
ABX-24 1.00		10.00	10.00	-1.00					
ABX-25 1.00		10.00	10.00	-1.00					
ABX-26 1.00		10.00	10.00	-1.00					
ABX-27 1.00		10.00	10.00	-1.00					
ABX-28 1.00		10.00	10.00	-1.00					
ABX-29 1.00		10.00	10.00	-1.00					
ABX-30 1.00		10.00	10.00	-1.00					
ABX-31 1.00		10.00	10.00	-1.00					
ABX-32 1.00		10.00	10.00	-1.00					
ABX-33 1.00		10.00	10.00	-1.00					
ABX-34 1.00		10.00	10.00	-1.00					
ABX-35 1.00		10.00	10.00	-1.00					
ABX-36 1.00		10.00	10.00	-1.00					
ABX-37 1.00		10.00	10.00	-1.00					
ABX-38 1.00		10.00	10.00	-1.00					
ABX-39 1.00		10.00	10.00	-1.00					
ABX-40 1.00		10.00	10.00	-1.00					
ABX-41 1.00		10.00	10.00	-1.00					
ABX-42 1.00		10.00	10.00	-1.00					
ABX-43 1.00		10.00	10.00	-1.00					
ABX-44 1.00		10.00	10.00	-1.00					
ABX-45 1.00		10.00	10.00	-1.00					
ABX-46 1.00		10.00	10.00	-1.00					
ABX-47 1.00		10.00	10.00	-1.00					
ABX-48 1.00		10.00	10.00	-1.00					
ABX-49 1.00		10.00	10.00	-1.00					
ABX-50 1.00		10.00	10.00	-1.00					
ABX-51 1.00		10.00	10.00	-1.00					
ABX-52 1.00		10.00	10.00	-1.00					
ABX-53 1.00		10.00	10.00	-1.00					
ABX-54 1.00		10.00	10.00	-1.00					
ABX-55 1.00		10.00	10.00	-1.00					
ABX-56 1.00		10.00	10.00	-1.00					
ABX-57 1.00		10.00	10.00	-1.00					
ABX-58 1.00		10.00	10.00	-1.00					
ABX-59 1.00		10.00	10.00	-1.00					
ABX-60 1.00		10.00	10.00	-1.00					
ABX-61 1.00		10.00	10.00	-1.00					
ABX-62 1.00		10.00	10.00	-1.00					
ABX-63 1.00		10.00	10.00	-1.00					
ABX-64 1.00		10.00	10.00	-1.00					
ABX-65 1.00		10.00	10.00	-1.00					
ABX-66 1.00		10.00	10.00	-1.00					
ABX-67 1.00		10.00	10.00	-1.00					
ABX-68 1.00		10.00	10.00	-1.00					
ABX-69 1.00		10.00	10.00	-1.00					
ABX-70 1.00		10.00	10.00	-1.00					
ABX-71 1.00		10.00	10.00	-1.00					
ABX-72 1.00		10.00	10.00	-1.00					
ABX-7									

NASDAQ

Monday's 4 P.M.
The 1,000 most traded Nasdaq Market securities
in terms of dollar value, updated twice a year.
The Associated Press

Mr. Wm. H. Miller, New Bedford, Mass.

NYSE

Monday's 4 P.M. Close
(Continued)

卷之三

SPORTS

TUESDAY, NOVEMBER 17, 1998

PAGE 24

WORLD ROUNDUP

Caminiti Returns To Third for Astros

BASEBALL Ken Caminiti has signed a two-year contract with the Houston Astros, after rejecting a much richer offer from the Detroit Tigers, so he could return to his first team. The free-agent third baseman, who spent the last four seasons with San Diego, agreed on a two-year, \$9.5 million contract, with an Astro option for \$5.5 million.

Caminiti started with Houston in 1987 and was part of a 12-player trade with the Padres in December 1994. He won the National League MVP award in 1996, but slumped to .252 with 29 home runs and 82 runs batted in last season. (AP)

Record Wimbledon Profit

TENNIS Even though it was held at the same time as the soccer World Cup, the Wimbledon championships drew record crowds and produced a record profit of £33 million (£52.8 million) in 1998.

The surplus rose by 6.7 percent over last year because of improved TV and merchandising income and record 13-day crowds of 424,996, up 20,000 on the previous mark.

Tim Henman of Britain helped draw the fans on his run to the last four. His semifinal against Pete Sampras attracted 12 million television viewers in Britain, making it one of the top televised sporting events of the year. (AP)

Norman Wins Shootout

GOLF In his first tournament since shoulder surgery seven months ago, Greg Norman forced a playoff with an eighth-font birdie on the 18th hole. Then he won the \$1.3 million Shark Shootout on the third sudden-death hole when partner Steve Elkington hit a 9-iron into 2 feet on the same hole.

Norman and Elkington closed with a 58 Sunday at Thousand Oaks, California. They finished level with John Cook and Peter Jacobsen, who tied a tournament record with a 17-under 55. Both finished at 27-under 189. (AP)

England Player Attacked

CRICKET John Crawley, the England batsman, suffered cuts and bruised to his face in a late-night attack in Cairns, Australia.

The unidentified assailant abused Crawley verbally, then punched him as he returned alone to the team hotel Sunday. Crawley should be fit for the first test against Australia which starts on Friday.

England beat Queensland by one wicket Monday in Cairns. England needed 142 in its second innings. It reached the target with the last two batsmen — Alan Mullally and Robert Croft — batting. (Reuters)

Running From Olympics

OLYMPICS About half a million local residents plan to get out of town during the 2000 Sydney Olympics, according to a report issued Monday. (Reuters)

Cowboys Hang On To Beat Cardinals

Plummer Falls Short After Bringing Arizona Back From 28-Point Deficit

The Associated Press

Jake Plummer brought the Arizona Cardinals back from a 28-point deficit against Dallas but missed twice from the five-yard line at the end of the game as the Cowboys hung on for a 35-28 victory.

With their Super-Bowl hardened big names playing well, the Cowboys raced to a 28-0 lead in Sun Devil Stadium. It looked like just another romp over the Cards, whom they have beaten in 16 of their last 17 meetings.

Emmitt Smith scored three touchdowns to pass Walter Payton and Jim Brown and become No. 3 on the career

NFL ROUNDUP

touchdown list behind Jerry Rice and Marcus Allen. One of those scores was set up on an interception by Deion Sanders, who was in and out of the game with a toe injury.

But then Plummer came back with the kind of heroics he demonstrated in the same stadium while playing for Arizona State.

Plummer threw for 465 yards. He had two shots at winning the game near the end, and the Cards vehemently claimed there was pass interference in his second try, on a fade pattern to Rob Moore.

"I didn't think that they could come back," said Chan Gailey, the Dallas coach. "I thought we'd score a couple of more touchdowns and that would be that."

Others 23, Steelers 14 Tennessee beat Pittsburgh for the second time in three weeks with 10 points in the final three seconds. Al Del Greco's 22-yard field goal gave the Oilers a 16-14 lead, then Michael Roan fell on a fumble in the end zone as the Steelers desperately tried to keep the ball alive on the kickoff return.

Kordell Stewart, the Pittsburgh quarterback, was 22-of-28 for 239 yards and two touchdowns.

Cards 24, Jets 23 Peyton Manning's third touchdown pass of 14 yards to tight end Marcus Pollard with 24 seconds to go, knocked the New York Jets out of a first-place tie with Miami. Indianapolis drove 80 yards for the winning score after losing 44-6 to the Jets in the first meeting.

Aaron Gleason of the Jets caught a missed 63-yard field goal attempt by the Colts in the end zone and ran a record 104 yards for a touchdown as the first in the first.

Raiders 28, Eagles 3 Skip Hicks scored three touchdowns on short runs as Washington won the second game in its last three, both at home.

Philadelphia has lost four games by 25 or more points this season.

Bills 13, Patriots 10 Doug Flutie threw 10 yards to tight end Jay Riemersma with 1:57 left in the third quarter for the Bills' only touchdown as Buffalo won for the sixth time in seven games after an 0-3 start.

It was the fourth loss in five games for New England.

Saints 24, Rams 3 Kerry Collins, making his first start at quarterback for

New Orleans, drove the Saints 62 yards for a touchdown on their first possession, capping it with a 10-yard touchdown toss to Cam Cleeland.

Packers 37, Giants 3 Brett Favre became the second-fastest player ever to reach 200 career touchdown passes and 25,000 yards passing for the Packers, who lost in Pittsburgh six days earlier.

The Giants gained just 127 yards with a newly acquired runner, Danick Holmes, gained 111 yards in 27 carries for Green Bay, which has lost both Dorssey Levens and Travis Jerry to injury.

Jaguars 29, Buccaneers 24 Fred Taylor ran 70 yards for his third touchdown with 2:40 remaining as the Jaguars won their third straight and took a two-game lead over Pittsburgh in the American Football Conference Central division.

Tampa Bay lost its seventh straight road game.

Raiders 20, Seahawks 17 Greg Davis' 37-yard field goal with 21 seconds left won the game for Oakland. It came after Warren Moon, the Seattle quarterback, drove the Seahawks 65 yards in eight plays for the tying touchdown on a 12-yard loss to Christian Fauria.

Joyce Galloway of Seattle and Desmond Howard of the Raiders each returned punts for touchdowns.

Chargers 14, Ravens 13 Craig Wiehl, starting as the San Diego quarterback in place of the benched Ryan Leaf, threw a 47-yard touchdown pass to Charlie Jones to win his first NFL game in eight starts.

Terrell Fletcher, who entered the game when Natrone Means left with a broken foot, had a 3-yard run for the game-winner for San Diego.

Jim Harbaugh, the Baltimore quarterback, threw a 58-yard touchdown pass to Jerome Lewis for the Ravens.

Lions 26, Bears 3 Charlie Batch, Detroit's rookie quarterback, completed 16 of 21 passes for 253 yards, and Tommy Vardell scored three touchdowns for the Lions.

The Bears beat Barry Sanders to 28 yards on 14 carries earlier this season. But this time Sanders, wearing a flak jacket to protect sore ribs, rushed 24 times for 114 yards, the 75th 100-yard game of his career.

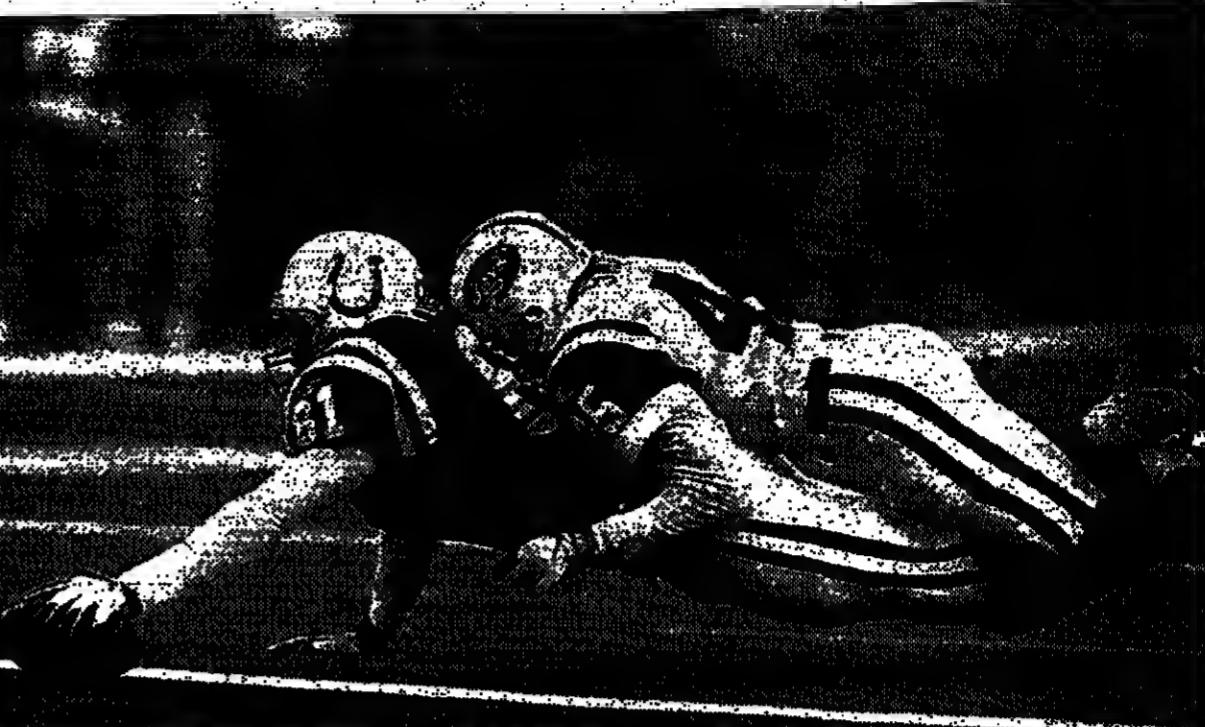
In games reported in late editions Monday:

Dolphins 13, Panthers 9 Karim Abdul-Jabbar rushed for 127 yards as the Dolphins took over sole possession of first place in the AFC East and ended a three-game road losing streak. Carolina got just three field goals by John Kasay.

Vikings 24, Bengals 3 Dwayne Rudd's 63-yard fumble return broke open the game for Minnesota, which is off to its best start since it began 10-0 in 1975.

The Bengals are guaranteed their eighth consecutive season without a winning record.

Playing just six days after surgery to remove two bone chips from his right knee, the Vikings' quarterback Randall Cunningham was 13-for-20 for 224 yards and ran three yards for a score.



The Colts' Marcus Pollard scoring the game-tying touchdown, with the Jets' Otis Smith along for the ride. (AP)

A Milestone Victory for the Falcons

By Michael Wilbon
Washington Post Service

ATLANTA — It was after San Francisco had scored two fourth-quarter touchdowns to cut its deficit to five points that the Atlanta Falcons demonstrated decisively they are not the team they used to be. Instead of sitting on a dwindling lead, the Falcons disregarded caution and put away the game.

Chris Chandler's 78-yard touchdown pass to Terance Mathis with 2 minutes 51 seconds to play stopped San Francisco's threat and gave Atlanta a 31-19 victory at the Georgia Dome and sole possession of first place in the National Football Conference West. It was the only pass Mathis caught in the game.

Jamal Anderson, the Falcons' running back, carried 31 times for 100 yards and two touchdowns and helped Atlanta run up a nine-minute advantage in time of possession. The Atlanta defense recovered a Steve Young fumble for a touchdown and used an interception to set up another.

Young completed 21 of 40 passes for 342 yards and two touchdowns; Jerry Rice caught 10 passes for 169 yards — including the 65-yard touch-

down pass with 3:09 to play that pulled the 49ers to 24-19. But Rice dropped a sure touchdown pass in the second quarter, one of three passes he dropped Sunday.

"You have to look at yourself critically," Rice said, "and basically I let the team down."

the Falcons when necessary, whether Atlanta was running or throwing.

Jessie Tuggle, a Falcon linebacker and a 12-year veteran who has usually been on the losing end of confrontations with the 49ers, might have been the most relieved player in the Atlanta locker room.

"To finally be in first place for a change is incredible," he said after the Falcons' first victory over San Francisco in their last six attempts. "We didn't give up the early touchdowns against them like we usually do. After the first quarter they knew we were in for a dogfight. Sometimes some of their guys probably feel, 'Same old Falcons.' But we're a different team now."

Young completed 21 of 40 passes for 342 yards and two touchdowns; Jerry Rice caught 10 passes for 169 yards — including the 65-yard touch-

down pass with 3:09 to play that pulled the 49ers to 24-19. But Rice dropped a sure touchdown pass in the second quarter, one of three passes he dropped Sunday.

"You have to look at yourself critically," Rice said, "and basically I let the team down."

As Triggle said, "Steve had his yards, and Jerry had his yards, but not when they needed them."

The Falcons led 10-6 when Young floated a pass that was intercepted by Ray Buchanan, who made a brilliant 34-yard return to set up the score that put the Falcons in front, 17-6.

Before the 49ers could recover, Shann Dronett, an Atlanta defensive tackle, sacked Young, who fumbled. Tuggle recovered the ball in the end zone for a 24-6 lead, and Tuggle's National Football League-record fifth-fumble recovery for a touchdown.

Among the milestones for the Falcons franchise: It was the 14th victory in the past 18 games for Atlanta, all under Coach Dan Reeves. Atlanta won its seventh straight game at home, but this was the first attended by a sellout crowd of 69,828.

"I am surprised at our inability to do this," Young said. "We shouldn't be in these spots. We put ourselves in these spots. We have to play like we've been talking about playing. We talk about 'If it's come, it'll come.' Well, we really need to get focused. Some pressing and some urgency wouldn't be a bad idea."

Purdue Ends Lady Vols' 46-Game Victory Streak

The Associated Press

WEST LAFAYETTE, Indiana — Tennessee, the top-ranked women's college basketball team, has tasted defeat for the first time in two years.

The three-time defending national champions had a 46-game winning streak stopped Sunday when they lost, 76-68, to No. 5 Purdue.

The Boilermakers took the lead for 12-11 on a jumper by Douglas and pulled to a 46-33 halftime lead on a lay-up by Camille Cooper, who came off the bench to score 18 points on 8-of-11 shooting.

Tennessee was 39-0 last season in winning its third straight women's championship. The Lady Volunteers

were the unanimous pick as No. 1 in this season's pre-season poll.

Douglas hit two foul shots to put Purdue ahead 74-65 with 58 seconds left and two more 15 seconds later after a 3-pointer by Kellie Jolly for Tennessee.

The Boilermakers took the lead for 12-11 on a jumper by Douglas and pulled to a 46-33 halftime lead on a lay-up by Camille Cooper, who came off the bench to score 18 points on 8-of-11 shooting.

Tennessee was led by Chamique Holdsclaw with 22 points.

"I don't know whether to cry, feel sorry for myself," she said, adding that watching the game films would help

her and hopefully would "help the rest of the team have a different attitude."

The Lady Volunteers were outrebounded 36-25 and shot 50 percent from the field. The big difference came at the free-throw line where Purdue was 22-of-33 and Tennessee was 3-of-5.

Purdue, playing at home, was called for 15 personal fouls. Tennessee received 25 and the Tennessee coach, Pat Summitt, also picked up a technical.

"Our fans are the best fans in the country. They played a big role in this win, and helped us stop runs," said Vicki Figgins, a Purdue guard.

In the opening game here at Mackey Arena, No. 11 North Carolina downed No. 10 Kansas, 76-58.

ALL ABOUT EVE

THE ESCORT SERVICE WITHOUT COMPROMISE

0171 581 4888 INTERNATIONAL

CREDIT CARDS WELCOME

LONDON

0171 581 4888

INTERNATIONAL ESCORTS WORLDWIDE

WWW.ELITE-INTL.CO.UK

E-mail: info@elite-intl.co.uk

FAX: 0171 581 4888

INTERNATIONAL ESCORTS WORLDWIDE

WWW.ELITE-INTL.CO.UK

E-mail: info@elite-intl.co.uk

FAX: 0171 581 4888

INTERNATIONAL ESCORTS WORLDWIDE

WWW.ELITE-INTL.CO.UK

E-mail: info@elite-intl.co.uk

FAX: 0171 581 4888

INTERNATIONAL ESCORTS WORLDWIDE

WWW.ELITE-INTL.CO.UK

E-mail: info@elite-intl.co.uk

FAX: 0171 581 4888

INTERNATIONAL ESCORTS WORLDWIDE

WWW.ELITE-INTL.CO.UK

E-mail: info@elite-intl.co.uk

FAX: 0171 581 4888

INTERNATIONAL ESCORTS WORLDWIDE

WWW.ELITE-INTL.CO.UK

E-mail: info@elite-intl.co.uk

FAX: 0171 581 4888

INTERNATIONAL ESCORTS WORLDWIDE

WWW.EL

SPORTS

Manchester United Signs Deal With Belgian Team

Copied by Our Staff from Dispatches

MANCHESTER, England — Manchester United signed an agreement Monday with Royal Antwerp that could turn the Belgian soccer club into a farm outlet for the English Premier League team.

The clubs signed a "memorandum of cooperation" that commits them to swapping young players on a regular basis.

"We have not bought the club and this is not a takeover move," said Ken Ramsden, a United spokesman, adding that the agreement would allow Manchester to send players to play on Royal Antwerp's team to gain experience, and vice versa.

Paul Bistaux, the secretary of Royal Antwerp, said, "We have to face reality. The smaller clubs have to align themselves with the big ones to survive. It's either sink or swim."

Antwerp, Belgium's oldest club and a European Cup Winners Cup finalist only five years ago, was demoted to the Belgian second division this year.

"Manchester United was looking for a pied-à-terre on the Continent," Bistaux said. "It's clear Manchester United is the strongest party in this. They'll be calling the shots."

"United has already sent a reserve team player, Danny Higginbotham, to Belgium to gain experience on Antwerp's team."

Belgium's labor laws and work permits are far more flexible than England's. Once the players are established in the European Union, it would be easier for them to transfer to Manchester United. But Ramsden said, "For that to happen, players would need to spend at least three years here and this arrangement has not been put in place for something that may or may not happen in two years' time."

FIFA, the governing body of world soccer, said the deal might infringe on its rules against common ownership.

"There are a lot of smaller clubs at the moment that may tip off their favorite club about a good young player on their books," said Keith Cooper, FIFA's director of communications. "If this partnership goes beyond that and is something of a legal association, it will have to be looked at."

UEFA, the governing body of European

soccer, as well as the Belgian soccer association and the English Professional Footballers Association expressed reservations about the agreement.

Fritz Ahlison, a spokesman for UEFA, said: "In principle, we don't like it. There might be more disadvantages than advantages to this."

Gordon Taylor, of the English Professional Footballers Association, said: "We are disappointed about this news. England is now the country with more non-national players than any other in the world."

If this link-up ends with more foreign players coming into the game, then the young Michael Owen and David Beckham may not be such a priority in the future, Taylor said, adding that the English game would suffer as a result.

For Michel D'Hooghe, the Belgian soccer federation president, the issue is about the increasingly lopsided financial situation in European soccer, creating a two-tier system where the poor are at the beck and call of the wealthy clubs.

"Healthy clubs would not want to do this," he said. "The big leagues are not charity institutions. Most of the time the clubs target are in a tough financial and sporting position." (AP, Reuters)

Brawl Erupts at Game in Brazil

A brawl involving photographers, sideline reporters and Santos players held up play for nearly 20 minutes during the quarterfinals of the Brazilian championship last weekend, Reuters reported from Rio de Janeiro.

The brawl delayed the Sport Recife-Santos game. Tempers flared after Sport Recife, two goals ahead, was awarded a penalty.

Santos players argued with the linesman but lost their tempers with a radio reporter who held a microphone between them and the official.

Viola, a Santos striker, was seen lashing out at a reporter, leading to a free-for-all involving Santos players, policemen wielding riot sticks, other reporters and the Santos coach, Emerson Leon. No players were ejected, and Sport Recife went on to win, 3-1.

Beverly Sorenson/Rex Features
Steffi Graf during her grueling 4-6, 6-3, 6-4 victory over Lindsay Davenport.

A 'Crazy Year,' Another Victory

Graf Bests Top-Ranked Davenport for Advanta Title

The Associated Press

VILLANOVA, Pennsylvania — Three weeks into her latest comeback, Steffi Graf has won two tournaments.

The unseeded Graf stunned Lindsay Davenport, the top-ranked woman player, 4-6, 6-3, 6-4, in a grueling two-hour-plus match to win the Advanta Championships on Sunday.

After match point, Graf smiled and pumped her fist as if she had just won another Grand Slam tournament title.

"I didn't expect my game to come back so quickly," said Graf, who is returning following surgery on her right wrist. It was her 10th straight match victory.

Graf also beat second-ranked Martina Hingis in the quarterfinals this week, the first time an unseeded player has beaten the two top-ranked players in a tournament, according to the Corel WTA Tour.

The loss was Davenport's first on American soil as the top-ranked player. She had won her last seven matches, including beating

Monica Seles in the semifinals Saturday and the European Championships final against Venus Williams last month.

Davenport can still be assured of finishing the season at No. 1 if she beats Sandrine Testud in her first-round match at the Chase Championships on Wednesday. If Davenport loses in the first round, Hingis could take the No. 1 ranking by winning the tournament.

"It's kind of tough to lose, but it feels good to be part of this," said Davenport. "You all know what a long road it has been" for Graf.

"It's been a crazy year," said Graf, who came back from a knee problem only to miss nine weeks because of the wrist injury.

Graf came out blazing in the first set, nailing three aces and pushing Davenport back on most of her service returns to take a 4-1 lead before Davenport won five straight games to take the set. Graf stopped Davenport's run in the first game of the second set. In the third, Davenport took a 4-1 lead but then won only four points in the last three games.

Still Digging Out, Avalanche Win

The Associated Press

VANCOUVER, British Columbia — The Colorado Avalanche are continuing to crawl out of their early season slump, rallying for their second straight victory.

The 2-1 victory over the Vancouver Canucks on Sunday night marked the first time this season the Avalanche had won consecutive games.

It looked like the Avalanche might be heading toward another loss when they

former Montreal Canadiens' great Toe Blake. Detroit's Scotty Bowman leads all coaches with 1,061 victories.

"I don't care about winning No. 500, but I care about losing the game," Keenan said. "You have to give credit to Colorado. They willed the game."

The Canucks' defenseman Bryan McCabe opened the scoring 42 seconds into the game when his wrist shot from the right point deflected into the goal off the hip of Cam Russell, a Colorado defenseman, in a faceoff to the right of the Colorado net and drew the puck back to McCabe.

Blackhawks 2, Senators 2

Eric Daze scored a power-play goal at 5:47 of the third period to give Chicago a 3 tie with Ottawa, but after 10 games the Blackhawks are still without a victory.

The Avalanche's goaltender, Patrick Roy, extended his personal unbeaten streak against Vancouver to 11 games. Colorado has not lost to Vancouver in their last 15 meetings.

With the Avalanche trailing 1-0, Alan Deadmarsh tied the game 4:20 into the third period when he snapped in Joe Sakic's rebound. Deadmarsh was then credited with the game-winner 7:37 into the period when he deflected in Peter Forsberg's point shot for a power-play goal.

The loss prevented Mike Keenan, the Canucks' coach, from becoming the sixth National Hockey League coach to reach 500 victories. That would have tied him with the

feels behind by 1-0 after two periods. They had failed to win any of six previous games in which they trailed after the second period.

After one of the worst starts in franchise history, Colorado is now at two games under .500 after playing 16.

The Avalanche's goal-tender, Patrick Roy, extended his personal unbeaten streak against Vancouver to 11 games. Colorado has not lost to Vancouver in their last 15 meetings.

With the Avalanche trailing 1-0, Alan Deadmarsh tied the game 4:20 into the third period when he snapped in Joe Sakic's rebound. Deadmarsh was then credited with the game-winner 7:37 into the period when he deflected in Peter Forsberg's point shot for a power-play goal.

The loss prevented Mike Keenan, the Canucks' coach, from becoming the sixth National Hockey League coach to reach 500 victories. That would have tied him with the

Portuguese 3, Carlisle 1

Croatia 2, Pristina 1

Ties in over 3 legs and are decided by points; extra-time score if points are equal and 1st stage record if aggregate score is equal.

TENNIS

ADVANTA CHAMPIONSHIPS

SUNDAY IN VILLANOVA, PA.

FINAL: Steffi Graf, Germany, def. Lindsay Davenport (1), U.S., 4-6, 6-4.

ATP RANKINGS

1. Pete Sampras, U.S., 3,703 points

2. Marat Safin, Russia, 3,670

3. Patrick Rafter, Australia, 3,315

4. Andre Agassi, U.S., 2,879

5. Jim Courier, Spain, 2,819

6. Alex Corretja, Spain, 2,799

7. Karel Kučera, Slovakia, 2,579

8. Richard Krajicek, Netherlands, 2,548

9. Tim Henman, Australia, 2,501

10. Paul Mecartney, Britain, 2,456

11. Fredriksson, Sweden, 2,430

12. Jim Furyk, U.S., 2,110

13. Masaaki Doishi, Japan, 4,91

14. Ivan Lendl, Czech Republic, 4,44

15. Jelena Jankovic, Sweden, 4,44

CRICKET

QUEENSLAND VS. ENGLAND

FOURTH MATCH, THIRD DAY

MONDAY IN KEMPTON, SOUTH AFRICA

Groundset: 221 and 123-5.

West Indies: 446

SOCCER

QUEENSLAND FIRST DIVISION

Villanova 2, Atletico Madrid 1

STANDINGS: Crotone 20 points Barcelone 19; Malmo 19; Real Madrid 18; Valencia 18; Zaragoza 15; Oviedo 15; Seville 14; Zaragoza 13; Ferencvaros 12; Valencia 12; Mallorca 11; Villarreal 10; Tenerife 10; Alaves 10; Extremadura 8.

FRENCH FIRST DIVISION

Le Havre 0, Paris 1, Gentilly 0

STANDINGS: Montpellier 36 points Bur-

stange 32; Reims 27; Monaco 21; Lyon 21;

Montpellier 20; Paris 19; Saint Etienne 19;

Lyon 18; Nice 17; Marseille 16; Toulouse 15;

Strasbourg 14; Ajaccio 13; Le Havre 12;

Sochaux 12; Toulouse 11; Lorain 8.

WTA RANKINGS

1. Lindsay Davenport, U.S., 5,333 points

2. Martina Hingis, Switzerland, 5,263

3. Jana Novotna, Czech Republic, 4,310

4. Monica Seles, U.S., 3,710

5. Venus Williams, U.S., 2,762

6. Mary Pierce, France, 2,773

7. Andree Agassi, U.S., 2,479

8. Nathalie Tauziat, France, 2,431

9. Conchita Martinez, Spain, 2,331

10. Goran Ivanisevic, Croatia, 2,173

11. Petr Korda, Czech Republic, 2,114

12. Todd Martin, U.S., 1,774

13. Anna Kournikova, Russia, 1,616

14. Sandra Pechet, Romania, 1,598

15. Mirjana Lučić, Croatia, 1,572

16. Amanda Coetzer, South Africa, 1,572

CALVIN AND HOBBES

PEANUTS

WIZARD OF ID

NON SEQUITUR

DOONESBURY

FRIENDSHIPS

SUICIDE HOTLINE

PEANUTS

BLONDIE

GARFIELD

JUMBLE

GYMAN

ANGLED

YACENG

GIFNIX

BLONDIE

BEETLE BAILEY

THIS IS MY FIFTH TIME UP HERE!

BLAM

NOW WHAT?

HOT CHOCOLATE

A LITTLE JUICE AND A GREAT BIG TRAILER

SACRIFICE

11-17 © 1998 Wiley Miller / Art by Washington Post Writers Group

<img alt="A comic strip from Non Sequitur. Non Sequitur says, 'THAT'S GREAT! I CAN'T GET THROUGH WITH IT, I'LL LOSE MY JOB!' Pilgrim says, 'YOU CAN'T GO THROUGH WITH IT, I'LL LOSE MY JOB!' Non Sequitur says, 'SOUNDS

